

KANSAS.

Aldamar P. Elder, Ottawa.
 Anna C. Huffman, Eureka.
 Peter J. Murphy, Gardner.
 Fred H. Ricketts, Spring Hill.
 T. Dwight Seeley, Tonganoxie.
 Charles A. Taschetta, Leavenworth.

MASSACHUSETTS.

Anthony J. Crean, Turners Falls.
 Edward E. Hoxie, Lee.
 J. Francis Megley, Holbrook.
 Charles D. Streeter, Mount Hermon.

MICHIGAN.

Willard R. Noyes, Albion.

MINNESOTA.

Alma E. Bauer, Arlington.
 W. J. Goodfellow, Kenyon.
 Patrick H. Grogan, St. James.
 George Neumann, Osseo.
 Charles E. Seeley, Coleraine.
 John Wicker, Hayfield.
 Thomas Zeien, North Branch.

NEBRASKA.

O. K. Campbell, Gibbon.
 Horace M. Davis, Ord.
 Robert Graham, Alliance.
 Jesse B. Lane, Scottsbluff.
 Russell Mooberry, Dorchester.
 Nathaniel W. Smalls, Fremont.

NEW JERSEY.

George W. Baldwin, Summit.
 George Breisacher, Bergenfield.
 William J. Downs, Wharton.
 Michael F. Quinn, Linden.
 E. W. Townsend, Montclair.

NEW YORK.

Eugene E. Mann, Jordan.

NORTH DAKOTA.

Waldo Leonhardy, Williston.
 F. W. Peterson, Sentinel Butte.

OHIO.

Dennis W. Seward, Elyria.
 Percy A. Walling, Circleville.
 Roscoe Vance White, Middlefield.

PENNSYLVANIA.

J. W. Keating, Towanda.
 Joseph G. Leshner, Huntingdon.
 Robert Leshner, Northumberland.
 M. M. Naginey, Milroy.
 Granville F. Rehrig, Lehighton.
 Theodore E. Warner, New Oxford.

TENNESSEE.

William E. Snodgrass, Spring City.

UTAH.

Daniel McMillan, Heber.
 Henry W. Wadley, Pleasant Grove.

VIRGINIA.

E. E. Miles, Onancock.

HOUSE OF REPRESENTATIVES.

MONDAY, March 1, 1915.

The House met at 12 o'clock noon.

The Chaplain, Rev. Henry N. Couden, D. D., offered the following prayer:

We thank Thee, our Father in heaven, that the wisdom and experience of all the past are ours; that life with its possibilities is before us; that though conditions change the eternal remain the same. Help us to apply them to the conditions of our age, that we may be wise in our generation and march on with firm and steadfast faith in the light of advancing civilization and leave the world a little better that we have lived and wrought. And we will ascribe all praise to Thee, in Christ Jesus, our Lord. Amen.

The SPEAKER. The Clerk will read the Journal.

Mr. MANN. Mr. Speaker, I make the point of order there is no quorum present.

The SPEAKER. The gentleman from Illinois [Mr. MANN] makes the point of order there is no quorum, and evidently there is not.

Mr. UNDERWOOD. Mr. Speaker, I move a call of the House.

The SPEAKER. The gentleman from Alabama moves a call of the House.

The motion was agreed to.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will notify the absentees, and the Clerk will call the roll.

The roll was called, and the following Members failed to answer to their names:

[Roll No. 94.]

Ainey	Elder	Hoxworth	Padgett
Barchfeld	Estopinal	Hughes, W. Va.	Peterson
Barnhart	Faison	Jones	Plumley
Bartholdt	FitzHenry	Kindel	Price
Bowdle	Flood, Va.	Kreider	Reilly, Wis.
Butler	Francis	Lee, Ga.	Riordan
Cantor	French	L'Engle	Roberts, Mass.
Carew	George	Leshner	Roberts, Nev.
Carr	Gerry	Lever	Saunders
Carry	Gill	Lewis, Pa.	Shreve
Chandler, N. Y.	Gittins	Lindquist	Slomp
Coady	Good	Loft	Smith, Md.
Connolly, Iowa	Graham, Pa.	Logue	Sparkman
Conry	Griffin	McClellan	Stanley
Copley	Gudger	McGuire, Okla.	Steenerson
Crosser	Hamill	McLaughlin	Stevens, Minn.
Dale	Hardy	Maher	Talbott, Md.
Dies	Haugen	Morgan, La.	Taylor, N. Y.
Dixon	Hawley	Morin	Watkins
Donovan	Heflin	Moss, Ind.	White
Dooling	Helvering	O'Brien	Wilson, N. Y.
Doolittle	Hensley	Oglesby	Winslow
Driscoll	Hobson	O'Hair	Woodruff
Dunn	Howell	O'Shaunessy	Young, Tex.

The SPEAKER. On this call 326 Members have answered to their names—a quorum.

Mr. UNDERWOOD. Mr. Speaker, I move to dispense with further proceedings under the call.

The question was taken, and the Speaker announced that the ayes seemed to have it.

Mr. MANN. Mr. Speaker, I ask for a division.

The House divided; and there were—ayes 165, noes 101.

Mr. MANN. Mr. Speaker, I ask for tellers.

Tellers were ordered.

The House again divided; and the tellers (Mr. MANN and Mr. UNDERWOOD) reported—ayes 155, noes 85.

Mr. MANN. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER. Those in favor of dispensing with further proceedings under this call will, when their names are called, answer "yea"; those opposed will answer "nay."

The question was taken; and there were—yeas 238, nays 105, answered "present" 3, not voting 77, as follows:

[Roll No. 95.]

YEAS—238.

Abercrombie	Connolly, Iowa	Gordon	Lieb
Adair	Conry	Gorman	Linthicum
Adamson	Cox	Goulden	Lloyd
Alken	Crisp	Graham, Ill.	Lobeck
Alexander	Cullop	Gray	Loneragan
Allen	Davenport	Gregg	McAndrews
Ashbrook	Decker	Griffin	McClellan
Aswell	Deitrick	Hamill	McGillcuddy
Bailey	Dent	Hamlin	McKellar
Baker	Dershem	Harris	MacDonald
Baltz	Dickinson	Harrison	Maguire, Nebr.
Barkley	Difenderfer	Hart	Mahan
Bartlett	Dixon	Hay	Metz
Beakes	Donohoe	Hayden	Mitchell
Beall, Tex.	Doolittle	Heflin	Montague
Bell, Ga.	Doremus	Helm	Morrison
Blackmon	Doughton	Helvering	Moss, Ind.
Booher	Dupré	Henry	Mulkey
Borchers	Eagan	Hill	Murdoch
Borland	Eagle	Holland	Murray
Brockson	Edwards	Howard	Neeley, Kans.
Brodbeck	Estopinal	Hughes, Ga.	Nolan, J. I.
Broussard	Evans	Hulings	Oldfield
Brown, N. Y.	Fergusson	Hull	Padgett
Brown, W. Va.	Ferris	Humphreys, Miss.	Page, N. C.
Bruckner	Fields	Igoe	Palmer
Brumbaugh	Finley	Jacoway	Park
Bryan	Fitzgerald	Johnson, Ky.	Patten, N. Y.
Buchanan, Ill.	FitzHenry	Johnson, S. C.	Phelan
Buchanan, Tex.	Flood, Va.	Jones	Post
Bulkley	Floyd, Ark.	Keating	Pou
Burgess	Foster	Kelly, Pa.	Quin
Burke, Wis.	Fowler	Kennedy, Conn.	Ragsdale
Burnett	Francis	Kent	Raney
Byrns, Tenn.	Gallagher	Kettner	Raker
Callaway	Gallivan	Key, Ohio	Rauch
Candler, Miss.	Gard	Kirkpatrick	Rayburn
Cantrill	Garner	Kitchin	Reed
Caraway	Garrett, Tenn.	Konop	Reilly, Conn.
Carlin	Garrett, Tex.	Korbly	Reilly, Wis.
Casey	Gilmore	Lafferty	Rothermel
Clancy	Gittins	Lazaro	Rouse
Clark, Fla.	Glass	Lee, Ga.	Rubey
Cline	Godwin, N. C.	Lee, Pa.	Rucker
Coady	Goeke	Lever	Rupley
Collier	Goldfogle	Levy	Russell
Connelly, Kans.	Goodwin, Ark.	Lewis, Md.	Sabath

Saunders	Stephens, Miss.	Ten Eyck	Walsh
Scully	Stephens, Nebr.	Thacher	Walters
Seldomridge	Stephens, Tex.	Thomas	Weaver
Shackelford	Stevens, N. H.	Thompson, Okla.	Webb
Sherley	Stone	Townsend	Whaley
Sherwood	Stout	Tribble	Whitacre
Sims	Stringer	Tuttle	White
Sisson	Summers	Underhill	Williams
Small	Taggart	Underwood	Wilson, Fla.
Smith, N. Y.	Talcott, N. Y.	Vaughan	Wingo
Smith, Tex.	Tavener	Vinson	Young, Tex.
Sparkman	Taylor, Ala.	Vollmer	
Stedman	Taylor, Ark.	Walker	

NAYS—105.

Anthony	Fordney	La Follette	Scott
Austin	Frear	Langham	Sells
Avis	French	Langley	Sinnott
Barchfeld	Gardner	Lenroot	Slemp
Bartholdt	Gillett	McKenzie	Sloan
Barton	Green, Iowa	Madden	Smith, Idaho
Bell, Cal.	Greene, Mass.	Manahan	Smith, J. M. C.
Britten	Greene, Vt.	Mann	Smith, Minn.
Browne, Wis.	Guernsey	Mapes	Smith, Saml. W.
Browning	Hamilton, Mich.	Martin	Stafford
Burke, Pa.	Hamilton, N. Y.	Miller	Steenerson
Burke, S. Dak.	Hawley	Mondell	Stephens, Cal.
Butler	Hayes	Moore	Stevens, Minn.
Calder	Hinds	Morgan, Okla.	Sutherland
Campbell	Hinebaugh	Mott	Switzer
Cooper	Howell	Nelson	Temple
Cramton	Humphrey, Wash.	Norton	Thomson, Ill.
Curry	Johnson, Utah	Paige, Mass.	Towner
Danforth	Johnson, Wash.	Parker, N. J.	Treadway
Davis	Kahn	Parker, N. Y.	Vare
Dillon	Keister	Patton, Pa.	Volstead
Drukker	Kelley, Mich.	Platt	Wallin
Edmonds	Kennedy, Iowa	Plumley	Woods
Esch	Kennedy, R. I.	Powers	Young, N. Dak.
Fairchild	Kiess, Pa.	Prouty	
Farr	Kinkaid	Roberts, Mass.	
Fess	Knowland, J. R.	Rogers	

ANSWERED "PRESENT"—3.

Moss, W. Va.	Slayden	Watson
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NOT VOTING—77.

Alney	Driscoll	Kindel	Peters
Anderson	Dunn	Kreider	Peterson
Barnhart	Elder	L'Engle	Porter
Bathrick	Falconer	Leshner	Price
Byrnes, S. C.	Falconer	Lewis, Pa.	Riordan
Cantor	George	Lindbergh	Roberts, Nev.
Carew	Gerry	Lindquist	Shreve
Carr	Good	Loft	Smith, Md.
Carter	Good	Logue	Stanley
Cary	Graham, Pa.	McGuire, Okla.	Talbot, Md.
Chandler, N. Y.	Griest	McLaughlin	Taylor, Colo.
Church	Gudger	Maher	Taylor, N. Y.
Claypool	Hardy	Meon	Watkins
Copley	Haugen	Morgan, La.	Wilson, N. Y.
Crosser	Helgesen	Morin	Winslow
Dale	Hensley	Neely, W. Va.	Witherspoon
Dies	Hobson	O'Brien	Woodruff
Donovan	Houston	Oglesby	
Doolling	Hoxworth	O'Hair	
	Hughes, W. Va.	O'Shaunessy	

So the motion to dispense with further proceedings under the call was agreed to.

The Clerk announced the following pairs:

For the day:

Mr. WATSON with Mr. LEWIS of Pennsylvania.

Until further notice:

Mr. TALBOTT of Maryland with Mr. GOOD.

Mr. HENSLEY with Mr. BARTHOLOMEW.

Mr. BARNHART with Mr. LINDQUIST.

Mr. DALE with Mr. ROBERTS of Nevada.

Mr. SLAYDEN with Mr. AINEY.

Mr. HARDY with Mr. DUNN.

Mr. CROSSER with Mr. GRAHAM of Pennsylvania.

Mr. BYRNES of South Carolina with Mr. ANDERSON.

Mr. CARTER with Mr. GRIEST.

Mr. CHURCH with Mr. KREIDER.

Mr. DIES with Mr. HAUGEN.

Mr. DOOLING with Mr. CROLEY.

Mr. DRISCOLL with Mr. WOODRUFF.

Mr. HOUSTON with Mr. FALCONER.

Mr. LESHNER with Mr. CHANDLER of New York.

Mr. MAHER with Mr. HELGESSEN.

Mr. MOON with Mr. McLAUGHLIN.

Mr. MORGAN of Louisiana with Mr. PETERS.

Mr. NEELY of West Virginia with Mr. HUGHES of West Virginia.

Mr. O'SHAUNESSY with Mr. McGUIRE of Oklahoma.

Mr. PRICE with Mr. MORIN.

Mr. RIORDAN with Mr. PORTER.

Mr. TAYLOR of Colorado with Mr. WINSLOW.

Mr. WATKINS with Mr. SHREVE.

The result of the vote was announced as above recorded.

The SPEAKER. A quorum is present, and the Doorkeeper will open the doors. The Clerk will read the Journal.

The Journal of the proceedings of Saturday, February 27, 1915, was read and approved.

Mr. RUSSELL and Mr. HOWARD rose.

The SPEAKER. For what purpose does the gentleman from Missouri rise?

Mr. RUSSELL. I desire to call up House bill No. 21037 and ask unanimous consent to concur in the Senate amendment.

The SPEAKER. The Chair will attend to that in a moment. For what purpose does the gentleman from Georgia rise?

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bill of the following title, in which the concurrence of the House of Representatives was requested:

S. 7648. An act to authorize an exchange of lands with the State of North Dakota for promotion of experiments in dry-land agriculture, and for other purposes.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 19422) making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1916, and for other purposes, had agreed to the amendment of the House of Representatives to Senate amendment No. 1.

The message also announced that the Senate had passed the following resolutions:

Senate resolution 555.

Resolved, That the Senate expresses its profound sorrow on account of the death of the Hon. WILLIAM H. WILDER, late a Member of the House of Representatives from the State of Massachusetts.

Resolved, That the business of the Senate be now suspended in order that fitting tributes may be paid his high character and distinguished public services.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives and to the family of the deceased.

Senate resolution 556.

Resolved, That the Senate expresses its profound sorrow on account of the death of the Hon. FORREST GOODWIN, late a Member of the House of Representatives from the State of Maine.

Resolved, That the business of the Senate be now suspended in order that fitting tributes may be paid his high character and distinguished public services.

Resolved, That the Secretary communicate a copy of these resolutions to the House of Representatives and to the family of the deceased.

Resolved, That as a further mark of respect to the memory of Mr. WILDER and Mr. GOODWIN the Senate do now take a recess until 11 o'clock to-morrow morning.

QUESTION OF PERSONAL PRIVILEGE.

Mr. HOWARD. I rise to a question of personal privilege.

The SPEAKER. The gentleman from Georgia rises to a question of personal privilege. How long will it take?

Mr. HOWARD. I think it will take 5 or 10 minutes. I may not be able to speak longer than that.

The SPEAKER. The gentleman will state the question.

Mr. UNDERWOOD. Mr. Speaker, I ask unanimous consent, inasmuch as the gentleman states he has a question of personal privilege, that he have 10 minutes in which to state it.

The SPEAKER. The gentleman from Alabama [Mr. UNDERWOOD] asks unanimous consent that the gentleman from Georgia [Mr. HOWARD] have 10 minutes. Is there objection?

There was no objection.

Mr. HOWARD. Mr. Speaker, I regret exceedingly that at the busy time of the House I find it necessary to take up even 10 minutes of the time of the House in replying to some statements that were made touching my Representative capacity on last Thursday by the gentleman from Massachusetts [Mr. GREENE].

The gentleman from Massachusetts introduced into this House some time last September a resolution which sought a Federal investigation of one cotton mill in the city of Atlanta by a special committee of Congress, for the purpose of investigating working conditions and to look into conditions surrounding a strike that was on in the Fulton Bag & Cotton Mill.

At the time that the gentleman introduced this resolution I thought, and I still think, that it was grossly discourteous to me, as the Representative of that district, for him to introduce, on the eve of a national election, for his own political aggrandizement, a resolution involving the conduct of a cotton mill in my district without ever mentioning to me the fact that he intended to do so. When the gentleman did that, the resolution lay in the Committee on Rules for some time, and my first intimation of the fact that it had been introduced was a resolution passed by the Atlanta Federation of Trades, in which they thanked him for his conduct and sought to condemn me for my inactivity in failing to help Mr. GREENE push this resolution through.

When I received that resolution I wrote them a letter and in that letter I used some language that I will quote. I of course

recollected the activity of Mr. GREENE when the Lawrence strike was up. I knew when women were being shot down in the streets of Lawrence, and when a little boy had been bayoneted to death on the street, that this great man who holds his mills up in the attitude of "holier than thou" did not open his mouth, did not say a word, but, on the other hand, I have been informed by some gentlemen on the Committee on Rules that he was in a sense "pussy footing" around, trying to keep any resolution from being reported out by the Committee on Rules.

Mr. GREENE of Massachusetts. Mr. Speaker—

Mr. HOWARD. Wait a minute. You spoke in my absence, and I refuse to yield. Now let us see, a step further. I will yield to you directly, when I state my case. A little further on the gentleman came to me, or, in fact, I went to him, and I said, "I know that you can not pass this resolution, and every other Member of Congress on both sides would vote against such a resolution. Surely," said I to the gentleman from Massachusetts, "if Congress refused to give an investigation to such an outrageous condition as was portrayed in the Lawrence situation, they would not go to Atlanta to investigate a strike in one mill."

Yet he led Mr. Golden, of the textile workers, to believe that he was going to get this resolution passed. I said this in this letter, and I want to repeat it, that I did not think Mr. GREENE of Massachusetts was dealing fairly with these people in holding out to them a hope that such a resolution could pass through this House. Therefore, knowing his attitude on the child-labor bill in the District of Columbia, as shown by his vote on May 9, 1908, knowing his attitude on the immigration bill, knowing his attitude on tariff matters, knowing his attitude toward the manufacturing industries of this country, I did write this letter, and I used these words:

Mr. Webster defines a demagogue as "one who plays an insincere role in public life for the sake of gaining political influence or office; a poser in politics; one who panders to popular prejudice or seeks to inflame reasonless passions in the advancement of his personal interests." If he had had an intimate acquaintance with Congressman GREENE of Massachusetts, he could not have described the man, as he is known to all men, in better terms. When the Atlanta Federation of Trades passed a resolution thanking Mr. GREENE for his activities in behalf of labor, I am sure no one was more surprised to receive such a resolution than was Mr. GREENE, and probably in all his life this was the first letter of this character he had ever received.

Now, the gentleman from Massachusetts [Mr. ROGERS] had to get into this dispute the other day. I understand he is a great cotton mill manufacturer or woolen manufacturer. He jumped in here to say something about the cotton workers in the southern mills. I want to say one thing to you gentlemen who represent these great industrial States: The cotton-mill operatives of Georgia may be poor, they may work under conditions that are not the best, but I do want to impress upon you that as pure Anglo-Saxon blood as flows in the veins of any citizenry of America flows in the veins of the Georgia textile workers. [Applause.] They are from the mountains of north Georgia, North Carolina, and Tennessee. I do not defend any mistreatment of those employees, but I do say and I want to emphasize that no condition has ever arisen in the South under which the people who work in these mills have ever been treated in the way in which you are treating them to-day in the State of Massachusetts and in certain other States where a great body of industrial toilers are trying to eke out an existence. May I read just one paragraph from the report of the Commissioner of Labor on this Massachusetts situation? I hope it will soak through some of the tough hides of some of you great friends of the industrial toiler, when you come to talking about southern mills as compared to yours.

Mr. ROGERS had to insert in the RECORD a contract made by Georgia employers with their operatives. I condemn that contract. I would not defend such a contract. I do not defend any contract that is oppressive of labor; but the gentleman had to insert it, when, as a matter of fact, he knows that one of the very things that incited the Lawrence strikers to their action was the fact that one week's pay had been withheld by the employers in that State. Mr. Neill said in this report:

The actual economic condition of the families of the workers in the textile mills in Lawrence can not be easily pictured by a mere statement of individual earnings. It is obvious from the figures of earnings that the full-time earnings of a large number of adult employees are entirely inadequate to maintain a family. Thus the full-time earnings of 7,275 employees, or about one-third of the total covered in this investigation, are less than \$7 a week.

The SPEAKER. The time of the gentleman has expired.

Mr. HOWARD. Mr. Speaker, I ask unanimous consent for just five minutes more.

Mr. UNDERWOOD. Mr. Speaker, I would like to yield to my friend from Georgia, but it is impossible at this time.

Mr. HOWARD. Mr. Speaker, the gentleman from Massachusetts had 20 minutes, and I thought—

Mr. BARTLETT. You were sick in bed.

Mr. HOWARD. There is one portion of this thing that I will touch upon and then stop, if the gentleman from Alabama will yield the time to me.

Mr. UNDERWOOD. I will say to the gentleman from Georgia that this question is not strictly a question of personal privilege. It brings up an issue in the House, and I dislike—

Mr. BARTLETT. My colleague was absent when the gentleman from Massachusetts made his statement.

Mr. HOWARD. The question of privilege is the question of fact that Mr. Golden, of the textile workers, has written a letter to Mr. GREENE, in which he stated that I am trying to throttle an honest investigation by this House.

Mr. UNDERWOOD. I am sure the gentleman from Georgia understands—

Mr. HOWARD. I do not think the gentleman from Alabama wants to embarrass me by refusing me this brief time.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman from Georgia is recognized for five minutes.

Mr. HOWARD. The gentleman stated, and stated positively and unequivocally, that the Georgia laws regarding child labor were most unbearable, and said there was no penalty attached to them. I have here in my hand the act of 1914, and it has been the law all the time in Georgia—

Mr. BARTLETT. The penalty part of it?

Mr. HOWARD. The penalty part of it has always existed in every child-labor law in Georgia, and as prosecuting attorney of a district in the State of Georgia I prosecuted a cotton-mill superintendent for working a child under 12 years of age in his mill in violation of the law and speedily got a conviction for it, and he was fined in court. [Applause.] The Georgia law has always had this penalty attached to it. Now point out to me a single solitary cotton mill in Georgia or in the South that charges little children, 14 and 15 years old, 10 cents a week for the water that they drink while they are at work in the cotton mills. You do it in Lawrence. You do it in Massachusetts. You assess the children for the water that they drink out of these old cesspools of canals, and you charge them 10 cents a week. My God, if you can not make enough money out of your industry, with the outrageous tariff you have had on it, and the millions that you have laid aside as a surplus and for cutting watermelons, and can not give a poor, little, thirsty child that is working for you for about 80 cents a day some cool water to drink, God in Heaven knows that you have got but a mighty little bit of grace left in you when you get up here and criticize the working conditions in a cotton mill in Georgia.

Now, Mr. Speaker, the next time any of these "holier than thou" textile representatives get up here, I am going to say a few things about the American wage earners and a few more things when this House is not as busy as it now is. I am getting tired of these people coming around and attacking the industries of the South when you have conditions more unbearable and horrible in your own State which you make no effort to correct. Mr. Speaker, I now ask unanimous consent to insert some extracts and matters I have referred to in the RECORD relating to my attitude which Mr. Golden has seen fit to criticize, but nothing of a personal nature.

There was no objection.

Mr. HOWARD. Mr. Golden, who saw proper to write Mr. GREENE of Massachusetts that I made light of his resolution, is mistaken. I did not "make light" of the resolution of the gentleman from Massachusetts. I simply looked upon the introduction of this resolution as pure political buncombe, and nobody knew this better than Mr. GREENE.

So I will incorporate in the RECORD the correspondence I had with those who were interested, not for the purpose of satisfying Mr. Golden of my efforts in this matter to bring about peace between the employers and the employees in this unfortunate strike, but that those who know me may not be misled by the statements contained in the remarks of the gentleman from Massachusetts made on the floor of this House the other day. This correspondence shows that I did everything in my power—and I still stand ready to do everything in my power—to bring about an amicable adjustment of these differences.

Mr. Golden, although interested in this matter, and knowing my disposition to help in any way I possibly could to settle the matter, has never called on me, written me, or communicated with me in any way, and all that I have done has been done at the solicitation of constituents in the city of Atlanta.

(Telegram.)

JULY 1, 1914.

HON. OSCAR ELSAS,
President Fulton Bag & Cotton Mills,
Atlanta, Ga.:

The Secretary of Labor has just had conference with me relative to strike of textile workers in your mill. He offers the good offices of the department in sending mediator to Atlanta for the purpose of attempting to amicably adjust differences. This mediator has only authority given him under section 8 of act creating Department of Labor. Will thank you to let me hear from you at earliest possible moment.

WILLIAM SCHLEY HOWARD.

(Letter.)

ATLANTA, GA., July 1, 1914.

HON. WILLIAM SCHLEY HOWARD,
House of Representatives, Washington, D. C.

DEAR SIR: We acknowledge receipt of your telegram, reading as follows:

"JULY 1, 1914.

"HON. OSCAR ELSAS,
"President Fulton Bag & Cotton Mills,
"Atlanta, Ga.:

"The Secretary of Labor has just had conference with me relative to strike of textile workers in your mill. He offers the good offices of the department in sending mediator to Atlanta for the purpose of attempting to amicably adjust differences. This mediator has only authority given him under section 8 of act creating Department of Labor. Will thank you to let me hear from you at earliest possible moment."

WILLIAM SCHLEY HOWARD.

The suggested mediation is really unnecessary. Out of a total of about 1,300 hands, not over 85 have quit; in other words, if we had this number of hands, i. e., 85, the plant would be running to its full capacity. Our present help, numbering about 1,200, are thoroughly contented with their wages and conditions, and all they want is the privilege of being unmolested while at their work and while in their homes. The reports you have received are undoubtedly grossly exaggerated.

Yours, very truly,

FULTON BAG & COTTON MILLS,
O. E., President.

(Telegram.)

JULY 1, 1914.

HON. S. B. MARKS,
President Georgia Federation of Labor,
Atlanta, Ga.:

Have just conferred with Secretary of Labor Wilson relative to Atlanta textile strike, and he offers good offices of mediator under section 8 of the act creating Department of Labor. If the strikers will accept the good offices of this department, I believe that an amicable adjustment of differences can be made. Would like to hear from you after your consultation with parties interested.

WILLIAM SCHLEY HOWARD.

(Telegram.)

ATLANTA, GA., July 1, 1914.

HON. WILLIAM SCHLEY HOWARD,
Capitol Building, Washington, D. C.:

Yours to S. B. Marks was referred to me to-day in behalf of strikers. I thank you for interest manifested in the direction of industrial peace. We are willing to accept offer and welcome investigation by any impartial board.

CHAS. A. MILES.

(Telegram.)

ATLANTA, GA., July 1, 1914.

HON. WILLIAM SCHLEY HOWARD,
Member Congress, Washington, D. C.:

The proposal contained in your telegram acceptable. Your efforts in the matter greatly appreciated, and trust that substantial results will accrue therefrom. Jerome joins in these sentiments.

S. B. MARKS,
JEROME JONES.

(Telegram.)

JULY 8, 1914.

MR. CHARLES A. MILES,
(Care J. B. Hewitt, President),
Atlanta Federation of Trades, Atlanta, Ga.:

Just had conference with Secretary Wilson. Hope to have mediators leave Washington for Atlanta either to-day or to-morrow. Will advise you later as to time their arrival.

WILLIAM SCHLEY HOWARD.

(Telegram.)

JULY 28, 1914.

S. B. MARKS,
Federation of Trades, Atlanta, Ga.:

Your telegram received. Will afford me much pleasure to do all in my power with officials here about the matter in controversy.

WILLIAM SCHLEY HOWARD.

(Telegram.)

ATLANTA, GA., August 24, 1914.

HON. WM. SCHLEY HOWARD,
House of Representatives, Washington, D. C.:

Strikers in Atlanta will be evicted and homeless for want of funds. No settlement possible. Kindly endeavor to obtain loan of Army tents discarded by service. I understand that Fort McPherson has 200 condemned tents. If we can have use of them, it will obviate much suffering. Wire reply.

LOUIE P. MARQUARDT,
Member Executive Board.

Immediately upon receiving the above telegram I got in communication with Maj. Gen. James B. Aleshire, Quartermaster

General, United States Army, and Gen. Aleshire informed me that it would be impossible to lend tents, under the law as it now stands to these strikers, and that it would be necessary for a resolution to be passed through Congress authorizing the same, and that the department had uniformly reported against the loan of tents except in cases of flood or disaster.

[Letter.]

ATLANTA, GA., December 5, 1914.

HON. WM. SCHLEY HOWARD,
United States Congress, Washington, D. C.

DEAR SIR: The textile workers of this city are trying to get an investigation by Congress of the Fulton Bag & Cotton Mills. As you know, about 1,000 operatives employed at this mill have been on strike for six or eight months and are now living in tents in the outskirts of the city, after having been ejected from their homes by the mill owners, this sometimes having been done by negroes in the employ of the mill.

Seeking to inaugurate this investigation, Mr. Golden, president of the International Union of Textile Workers, will be in Washington next week. He is familiar with all the details of the situation, having worked in conjunction with the Federation of Trades in the matter from its inception and has the utmost confidence of the federation.

The federation is sending him to you in regard to this matter and requests that you give him any assistance you can.

Assuring you anything you can do to aid Mr. Golden will be greatly appreciated, and thanking you in advance, I am,

Respectfully,

J. F. BRADFIELD,
Secretary Atlanta Federation of Trades.

[Letter.]

WASHINGTON, D. C., December 9, 1914.

MR. J. F. BRADFIELD,
Secretary Atlanta Federation of Trades, Atlanta, Ga.

MY DEAR MR. BRADFIELD: I am in receipt of your letter of the 5th instant, and I will take very great pleasure in seeing Mr. Golden upon his arrival in Washington and discussing with him the situation from the standpoint of the operatives discharged, employed by the Fulton Bag & Cotton Mills.

I would be anything but frank with you if I did not tell you that the proposition of a congressional investigation of a mere strike in one cotton mill is not likely to meet with any favor either from Republican or Democratic Members of Congress, for the reason that unless interstate commerce has been interfered with, or unless it reflects a discreditable manner of executing a Federal law by the officers charged with this responsibility, or unless such an investigation would be necessary for Congress to procure information upon which to predicate future legislation, it will be an unconstitutional function of Congress.

May I call your attention to the fact that Congress absolutely refused to investigate the Lawrence strike, in Massachusetts, which was the most horrible industrial upheaval in the textile industry that we have had in this country in years. As you know, the so-called officers of the law, which were no other than "pimps" of the mill, shot down innocent women and children on the streets.

I am willing to do my best in this matter, but I can not hold out much hope.

Sincerely, yours,

WM. SCHLEY HOWARD.

Now, Mr. Speaker, that there may be an indelible record of some of the horrors and mistreatment of mill operatives in the State of Massachusetts from which the gentleman [Mr. GREENE] hails, I shall quote a few extracts from the testimony of witnesses before the Committee on Rules, and a few statements incorporated in the report of Hon. Charles P. Neill, Commissioner of Labor, on the Lawrence, Mass., situation in 1912:

STATEMENT OF SAMUEL GOLDBERG.

The CHAIRMAN. If you are late 5 or 10 minutes, is anything taken off of your pay?

Master GOLDBERG. Yes, sir; they take an hour's pay.

The CHAIRMAN. What happens if you are three times late?

Master GOLDBERG. You get fired.

Mr. WILSON. What is this 5 cents for water? I do not understand that.

Master GOLDBERG. They take 5 cents off for drinking water.

Mr. WILSON. They do not furnish you with drinking water?

Master GOLDBERG. No; they say it is spring water, but it is not.

STATEMENT OF AUGUSTE WANTE.

Mr. POU. Do you have to pay anything for water?

Master WANTE. Yes, sir; 10 cents a week.

Mr. POU. Is it good water?

Master WANTE. Canal water; that is what we get.

Mr. POU. Canal water? What mill is that in?

Master WANTE. The Wood mill.

STATEMENT OF JOHN BOLDELAR.

Mr. WILSON. What furniture have you in the house?

Master BOLDELAR. Oh, a couple of beds; that is all.

Mr. WILSON. Have you carpets on the floor?

Master BOLDELAR. I guess not; I guess some horses live better than we do.

STATEMENT OF WILLIAM MURPHY.

The CHAIRMAN. What is the smallest pay you get for one and a half days' work or two days' work?

Master MURPHY. Seventy-eight cents.

The CHAIRMAN. Seventy-eight cents? Do you pay anything for water?

Master MURPHY. Five cents a week.

The CHAIRMAN. Do they hold back a week's pay from you?

Master MURPHY. Yes, sir.

The CHAIRMAN. If you are late, how about closing the doors and deducting pay?

Master MURPHY. If you are late two minutes, they close the door; or for seven minutes, they take off an hour's pay.

STATEMENT OF CAMELLA TEOLI.

The CHAIRMAN. Do you have to pay anything for water?

Miss TEOLI. Yes.

The CHAIRMAN. How much?

Miss TEOLI. Ten cents every two weeks.

The CHAIRMAN. Do they hold back any of your pay?

Miss TEOLI. No.

The CHAIRMAN. Have they ever held back any?

Miss TEOLI. One week's pay.

The CHAIRMAN. They have held back one week's pay?

Miss TEOLI. Yes.

Now, let us see what Commissioner Neill says about living conditions:

Practically all the textile mill employees in Lawrence live in wooden tenement houses. The most usual types of these are either three or four story buildings, and, in the more thickly settled portions of the city, tenements occupy both the front and rear of the lots. These rear tenement houses can usually be reached from an alley, but the principal entrance, and in some cases the only entrance, is through a narrow passageway between the front buildings.

In other words, they are compelled to live just a little above the ordinary dog, and each worker when his day's labors are over seeks his "stall."

It might not be amiss to state in this connection that the report of Mr. Neill shows that 86 per cent of the employees in textile industries in Lawrence are foreign born or are the sons and daughters of foreign-born parents.

But why go further into this horrible situation. It portrays a condition that we southerners can not contemplate as actually existing anywhere in the civilized world.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the amendments of the Senate to the bill (H. R. 21318) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1916, and for other purposes.

THE MILITARY ACADEMY BILL.

Mr. HAY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 21328, the Military Academy appropriation bill, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Virginia asks unanimous consent to take from the Speaker's table the bill H. R. 21328, the Military Academy appropriation bill, disagree to all the Senate amendments, and ask for a conference. Is there objection? [After a pause.] The Chair hears none.

The Speaker appointed as conferees on the part of the House Mr. HAY, Mr. DENT, and Mr. KAHN.

ADDITIONAL DISTRICT JUDGE FOR SOUTHERN DISTRICT OF GEORGIA.

Mr. FLOYD of Arkansas. Mr. Speaker, I desire to call up the conference report on the bill (H. R. 17869) providing for the appointment of an additional district judge for the southern district of the State of Georgia, and I ask unanimous consent that the statement be read in lieu of the report.

The SPEAKER. The Clerk will read the title.

The Clerk read as follows:

A bill (H. R. 17869) providing for the appointment of an additional district judge for the southern district of the State of Georgia.

The SPEAKER. The gentleman from Arkansas asks unanimous consent that the statement be read in lieu of the report. Is there objection?

There was no objection.

The conference report is as follows:

CONFERENCE REPORT (NO. 1457).

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 17869) providing for the appointment of an additional district judge for the southern district of the State of Georgia, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendment numbered 2.

That the House recede from its disagreement to the amendment of the Senate numbered 3; and agree to the same.

On the amendment of the Senate numbered 1, the committee of conference have been unable to agree.

J. C. FLOYD,
JOSEPH TAGGART,
A. J. VOLSTEAD,

Managers on the part of the House.

C. A. CULBERSON,
HOKE SMITH,
C. D. CLARK,

Managers on the part of the Senate.

The Clerk read the statement, as follows:

STATEMENT.

The managers on the report of the House of the conference committee on H. R. 17869 report that the managers on the part of the Senate have receded from amendment No. 2, striking out section 2 of the original House bill, and same has been restored as it passed the House; that the managers on the part of the House have receded from their disagreement to Senate amendment No. 3, and have agreed to same.

The substance of the provisions in section 3 are now included in the provisions of the general law applicable to all districts in which there are two or more judges, and hence it is not deemed necessary to carry such provision in this bill.

In keeping with the instructions from the House, the managers on the part of the House have declined to recede from its disagreement to amendment No. 1.

J. C. FLOYD,
JOSEPH TAGGART,
A. J. VOLSTEAD,

Managers on the part of the House.

Mr. FLOYD of Arkansas. Mr. Speaker, I desire to say that when the conference report was made there was no agreement as to amendment No. 1, but since then the Senate has receded from the amendment No. 1, so that there is now nothing before the House except the conference report, and I move that the conference report be agreed to.

The conference report was agreed to.

PENSIONS.

Mr. RUSSELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 21037) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war.

The SPEAKER. Is there objection to the request of the gentleman from Missouri? [After a pause.] The Chair hears none.

The Senate amendments were read.

Mr. RUSSELL. I move to agree to the Senate amendments. The motion was agreed to.

Mr. KEY of Ohio. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the following House bills, disagree to all the Senate amendments, and ask for a conference:

H. R. 20643. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and the widows of such soldiers and sailors;

H. R. 21089. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, and certain soldiers and sailors of wars other than the Civil War, and the widows of such soldiers and sailors; and

H. R. 21218. An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and certain soldiers and sailors of wars other than the Civil War, and the widows of such soldiers and sailors.

The SPEAKER. The gentleman from Ohio asks unanimous consent to take from the Speaker's table bills H. R. 20643, H. R. 21089, H. R. 21218, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection.

The SPEAKER appointed as conferees on the part of the House Mr. KEY of Ohio, Mr. MURRAY, and Mr. SELLS.

Mr. RUSSELL. Mr. Speaker, I call up the bill S. 7506, an act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors.

The Clerk read the title to the bill.

Mr. RUSSELL. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Missouri asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The Clerk read the bill.

The following committee amendments were read:

Strike out the following:

Page 3, lines 22 to 25, inclusive.

Page 4, lines 10 to 12, inclusive.

Page 4, lines 17 to 19, inclusive.

Page 5, lines 1 to 3, inclusive.

Page 9, line 5, strike out "\$50" and insert "\$40."

Page 10, strike out lines 11 to 15, inclusive.

Page 12, strike out lines 9 to 12, inclusive.

Page 12, line 23, strike out "\$40" and insert "\$30."

Page 15, strike out lines 18 to 20, inclusive.
Page 15, strike out lines 21 to 24, inclusive.
Page 17, strike out lines 15 to 18, inclusive.

The committee amendments were agreed to.

The bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. RUSSELL, a motion to reconsider the vote by which the bill was passed was laid on the table.

The foregoing bill is a substitute for the following Senate bills referred to the Committee on Invalid Pensions:

S. 370. Mary A. Attmore.	S. 6921. Amos Poe.
S. 989. Josiah L. Burton.	S. 6935. Martin Perkins, alias
S. 1120. Charles L. Greene.	Charles Shepherd.
S. 1650. Ida A. Mitchell.	S. 7088. Florence Ada Tinney.
S. 1806. Mary J. Forbes.	S. 7093. Susan J. Alexander.
S. 1819. Sarah E. C. Emerson.	S. 7094. John H. Van Meter.
S. 2006. John H. Churchill.	S. 7100. Lewis C. Lame.
S. 2135. Richard Woods.	S. 7119. Imogene M. Burk.
S. 2185. Mollie C. Warren.	S. 7133. H. B. Crouch.
S. 2187. Lucinda Traub.	S. 7135. Mathew Crawford.
S. 2195. Samuel W. Harden.	S. 7139. Joseph Raphie.
S. 2281. John Banks.	S. 7142. Jonathan Sargent.
S. 2298. Albert N. Raymond.	S. 7144. John P. Simpson.
S. 2394. Charles R. Gentner.	S. 7146. Albert Baur.
S. 3177. Rodney Jones.	S. 7157. Thomas T. Jones.
S. 3425. David H. Hall.	S. 7161. David Cox.
S. 3460. Moses H. Laughlin.	S. 7171. Richard Dobson.
S. 3759. Robert I. Morrison.	S. 7175. Joseph H. Dearborn.
S. 3815. Lou E. Hecox.	S. 7176. Sarah L. Hammerton.
S. 3998. Peter L. Miles.	S. 7177. Theresa L. Breesee.
S. 5399. Thomas Hickman.	S. 7181. Thomas E. Dunbar.
S. 5750. Eliza J. Arthur.	S. 7195. Ephraim D. Edwards.
S. 5832. Bettie Dodge.	S. 7202. Nelson B. Tool.
S. 6132. Maria Love.	S. 7204. Josiah Hasbrook.
S. 6262. Robert Degray.	S. 7218. Irena Ward.
S. 6263. Luther Curtis.	S. 7228. John W. Fletcher.
S. 6372. Orlando L. Daugherty.	S. 7244. James Menaugh.
S. 6456. Martha E. Messenger.	S. 7246. Michael Kirk.
S. 6470. Minna Schue.	S. 7248. George W. Windell.
S. 6471. Gordon P. Ostrander.	S. 7249. Benjamin F. Shepherd.
S. 6476. William W. Chew.	S. 7254. William E. Minert.
S. 6487. Minerva M. Walsh.	S. 7260. Allen C. Goodwin.
S. 6521. Ellen Garlick.	S. 7265. Daniel H. Pettengill.
S. 6523. Sarah E. H. Bartlett.	S. 7276. Olive Lunn.
S. 6553. George Schmidt.	S. 7290. Harriet S. Crooks.
S. 6563. George Fulford.	S. 7295. William H. McKinley.
S. 6628. George W. Weltzel.	S. 7301. James F. Hobbs.
S. 6654. William M. Allen.	S. 7311. Evander V. Turner.
S. 6668. Catherine C. Abbott.	S. 7312. Mary E. Clark.
S. 6678. Samuel Lilly.	S. 7315. Elizabeth M. Norton.
S. 6813. Edwin Forbes.	S. 7327. Alicen W. Poe.
S. 6814. James W. Toler.	S. 7330. Mary E. Searle.
S. 6816. George Wort.	S. 7331. Thomas M. Wall.
S. 6817. George W. Markland.	S. 7332. Hugh M. Cory.
S. 6818. William A. Ruske.	S. 7342. Madison T. Trent.
S. 6844. Reuben F. Longley.	S. 7344. Rose Barnes.
S. 6873. Anna Mott.	S. 7349. Lewis A. Huffaker.
S. 6875. Thomas Sharpley.	S. 7351. David Parker.
S. 6903. Cleora A. Carver.	S. 7408. Edward Dudevole.
S. 6908. Mary A. Lowry.	S. 7469. William Hawkins.
S. 6909. Wiley Whicher.	

Mr. RUSSELL. Mr. Speaker, I call up the bill (S. 7598) granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent relatives of such soldiers and sailors, and I ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Missouri calls up an omnibus pension bill and asks unanimous consent that it be considered in the House as in the Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill.

The following committee amendments were severally read and severally agreed to:

On page 2, line 3, strike out "\$50" and insert in lieu thereof "\$40" (E. W. Anderson).
On page 2, line 11, strike out "\$20" and insert "\$12."
On page 2, strike out lines 16 to 19, inclusive (Porter E. Nash).
On page 3, strike out lines 19 to 22, inclusive.
On page 4, strike out lines 7 to 10, inclusive (S. 5019).
On page 4, strike out lines 18 and 22, inclusive (S. 5421).
On page 4, strike out lines 23 and 24, and on page 5, strike out lines 1 and 2 (S. 5516).
On page 5, strike out lines 16 to 19, inclusive (S. 5786).
On page 6, strike out lines 7 to 10, inclusive (S. 6080).
On page 6, strike out lines 11 to 15, inclusive (S. 6099).
On page 11, line 6, strike out "\$20" and insert in lieu thereof "\$12" (S. 7322).
On page 16, line 25, strike out "\$20" and insert in lieu thereof "\$12."
On page 18, strike out lines 16 to 19, inclusive (S. 7574).

Mr. SHERWOOD. Mr. Speaker, on behalf of the committee, I offer the following amendments which I send to the desk and ask to have read.

The Clerk read as follows:

Add, at the end of the bill, the following:

"The name of Isaac Premer, late of Company E, Eighty-ninth Regiment, and Company I, Twenty-sixth Regiment, Indiana Volunteer In-

fantry, and pay him a pension at the rate of \$30 per month in lieu of that he is now receiving.

"The name of Henry C. Linn, late assistant surgeon, Twelfth Missouri Cavalry, and pay him a pension at the rate of \$40 per month in lieu of that he is now receiving.

"The name of Thomas Duggan, late corporal in Company C, Fifth Regiment New York Heavy Artillery, and pay him a pension at the rate of \$50 per month in lieu of that he is now receiving.

The SPEAKER. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is on the third reading of the Senate bill.

The bill was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. RUSSELL, a motion to reconsider the vote by which the bill was passed was laid on the table.

The foregoing bill is a substitute for the following Senate bills referred to the Committee on Invalid Pensions:

S. 935. Nancy M. Vinton.	S. 7283. George T. Moulton.
S. 995. Edward W. Anderson.	S. 7294. Joseph Lieber.
S. 1201. Josephus Steller.	S. 7313. James Gorman.
S. 1532. James J. Boothe.	S. 7314. William A. N. Clare.
S. 1668. Effie M. Bing.	S. 7321. Clara McGaughey.
S. 2371. Porter E. Nash.	S. 7322. Edward H. Baldwin.
S. 2605. Laura Garriett.	S. 7340. John J. White.
S. 3516. Irvin M. Hill.	S. 7343. John R. Lindaberry.
S. 3606. Laura M. Goodwine.	S. 7356. Samuel J. Bingham.
S. 3829. Mary J. White.	S. 7357. Peter S. McIntosh.
S. 4018. John L. Russell.	S. 7358. James H. Gallup.
S. 4344. Sarah A. Ferguson.	S. 7363. Arthur Mahar.
S. 4431. Isabelle E. Jones.	S. 7420. Ziba Fry.
S. 4585. Mary A. Conway.	S. 7421. Charles C. Moulton.
S. 4684. Georgianna Thomas.	S. 7422. Parson B. Mix.
S. 5019. William C. Pope.	S. 7429. Mabel Turton.
S. 5230. Sarah J. Deloe.	S. 7437. William Dougherty.
S. 5391. Jesse Franklin Cochran.	S. 7438. Alonzo Cole.
S. 5421. Mary A. Flynn.	S. 7441. George W. Vogel.
S. 5516. Leona B. Hauke.	S. 7442. Joseph A. Fisher.
S. 5692. Mary B. Jenks.	S. 7446. Edwin W. Moody.
S. 5771. Mary A. Harrington.	S. 7458. Mary L. Lowe.
S. 5779. Amelia M. Payson.	S. 7467. Lydia A. Brockway.
S. 5788. Ida Ingraham.	S. 7475. Elisha Thomas.
S. 5803. Amos T. Phares.	S. 7476. James B. Kitts.
S. 6019. Louis M. Lea.	S. 7482. James M. Palmer.
S. 6062. Johnson G. Trask.	S. 7484. Jackson Smith.
S. 6080. William H. Langdon.	S. 7485. Job Ingram.
S. 6099. Catherine Curry.	S. 7486. Alice C. Cox.
S. 6133. David Delehanty.	S. 7490. John Jenkins.
S. 6232. James H. Clark.	S. 7494. Charles Woodward.
S. 6234. John F. Thomas.	S. 7501. Hattie E. Lawton.
S. 6236. Joseph C. Townsend.	S. 7502. John L. Epperson.
S. 6277. Rhoda C. Freeman.	S. 7503. William D. Eudy.
S. 6423. Archie C. Fisk.	S. 7505. Annie Clark.
S. 6511. George W. Killin.	S. 7506. Mary L. Taylor.
S. 6530. Mack Carr.	S. 7516. John Lampke.
S. 6578. Henry Reed.	S. 7517. Herbert A. Oliver.
S. 6656. Mary A. Richards.	S. 7539. Henry C. Jordan.
S. 6810. William D. Bonar.	S. 7541. Elias Lloyd.
S. 6843. Rosalie A. Partridge.	S. 7549. John E. Graham.
S. 6876. Andrew C. McCorkle.	S. 7561. John McEathron.
S. 7000. Eli Samson.	S. 7568. Gilbert W. Potter.
S. 7143. Thomas J. Gwin.	S. 7569. Charles H. Nelson.
S. 7152. Sarah McDowell.	S. 7570. Sumner P. Boies.
S. 7156. Sadie Hatch.	S. 7571. Joann P. Libby.
S. 7173. Miles Matthews.	S. 7573. Anna Trickey.
S. 7183. Thomas Clark.	S. 7574. Mary E. Walker.
S. 7192. Margaret J. Howell.	S. 7591. Henrietta C. Stanton.
S. 7208. John Jones.	S. 7657. Roderick O'Connor.
S. 7231. Samantha M. Hudson.	S. 7670. James H. Loughman.

Mr. KEY of Ohio. Mr. Speaker, I call up the bill (S. 7509) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors, and ask unanimous consent that it be considered in the House as in the Committee of the Whole.

The SPEAKER. The gentleman from Ohio calls up a pension bill and asks unanimous consent that it be considered in the House as in the Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill.

The following committee amendments were severally read and severally agreed to:

Page 1, strike out lines 6, 7, 8, and 9 (Charles F. Schantz).
Page 1, strike out lines 10 and 11, and on page 2, lines 1 and 2 (Arthur W. Martin).
Page 2, strike out lines 3 to 8, inclusive (Blanche Wood).
Page 2, strike out lines 12, 13, and 14 (Andrew F. Venable).
Page 3, strike out lines 1, 2, and 3 (Benjamin F. Kilppert).
Page 3, strike out lines 4, 5, 6, and 7 (Reinhard Anschultz).
Page 3, strike out lines 8, 9, 10, and 11 (Odelon Valcour).
Page 3, strike out lines 20, 21, and 23 (William C. Campbell).
Page 3, strike out lines 23, 24, 25, and 26 (Edward Louden).
Page 4, strike out lines 1, 2, 3, and 4 (Joseph H. Dawson).
Page 4, strike out lines 9, 10, 11, and 12 (Wilhelmina Myer).
Page 5, strike out lines 25 and 26, and page 6, strike out lines 1, 2, 3, and 4 (Sarah A. Boll).
Page 6, strike out lines 5, 6, 7, and 8 (William A. Taylor).
Page 6, line 12, strike out "\$16" and insert "\$12" (Edward M. Booe).

The SPEAKER. The question is on the third reading of the Senate bill as amended.

The bill was ordered to be read a third time, was read the third time, and passed.

The foregoing bill is a substitute for the following Senate bills referred to the Committee on Pensions:

S. 1095. Charles F. Schantz.	S. 6764. Willard D. Cook.
S. 2282. Arthur W. Martin.	S. 6791. George P. L. McCarty and Mildred G. McCarty.
S. 3358. Blanche Wood.	S. 6824. Edward F. Collins.
S. 3643. Jane M. Brown.	S. 6845. Winfield S. Taylor.
S. 3977. Andrew F. Venable.	S. 6848. William G. Tallafarro.
S. 5018. Anna L. Power.	S. 6864. Minnie Lord Henderson.
S. 5270. Charles M. Gregory.	S. 6899. Allan E. Pugh.
S. 5558. Patrick J. Hyde.	S. 6901. Eugene Helm.
S. 6129. Benjamin F. Klippert.	S. 6917. David Roach.
S. 6158. Reinhard Anschuetz, alias Charles Reinhard.	S. 6939. Sarah A. Boll.
S. 6168. Odolon Valcour.	S. 6996. William A. Taylor.
S. 6186. James N. Yates.	S. 7012. Edward M. Booe.
S. 6256. Henry P. Logsdon.	S. 7031. Alice Pollock.
S. 6279. William C. Campbell.	S. 7032. Mary R. Kendall.
S. 6314. Edward Louden.	S. 7063. Caro G. Moore.
S. 6401. Joseph H. Dawson.	S. 7125. Robert H. Trollinger.
S. 6477. Jennings J. Pierce.	S. 7193. John Johnson, 2d.
S. 6554. Wilhelmina Myer.	S. 7355. Louisa M. Fletcher.
S. 6559. Raymond S. Sheldon.	S. 7453. Alice S. C. McNaught.

Mr. BRYAN. Will the gentleman allow me to ask him a question—just half a minute?

Mr. KEY of Ohio. I will.

Mr. BRYAN. It is in reference to the case of Harry Yates, Washington Volunteer Infantry. I want to ask the gentleman what is the chance of getting that application considered?

Mr. KEY of Ohio. I do not know anything about that case.

Mr. BRYAN. I desire to inform the gentleman it is one of the most meritorious cases that has ever arisen from our State, and I am very sorry it has not been considered.

Mr. KEY of Ohio. So am I.

Mr. BRYAN. Mr. Speaker, under permission granted, I here present the salient facts of this case of Harry Yates. I very much regret that the session is about to draw to a close without action on this claim. While the claim was not in my hands primarily, yet I feel, along with the gentleman from Washington [Mr. HUMPHREY], a very deep interest in the matter.

The following letter from Mr. C. H. Winders, a prominent Seattle attorney and Spanish-American War veteran, sets forth some of the features:

HON. J. W. BRYAN,

Member of Congress, Washington, D. C.

MY DEAR MR. BRYAN: This is the first letter of this kind that I have ever written to any Member of Congress, but I can not believe that there is anything that I can honestly do or ask that would not be proper in connection with the subject matter of this letter.

I am attaching hereto a copy of a letter covering the same subject, which I have addressed to Hon. WILLIAM E. HUMPHREY.

You will probably remember, if you were around our Bolo Club headquarters, Mr. Yates, the boy on crutches, with but one leg. What I have said in my letter to Mr. HUMPHREY is absolutely true. Yates is a man of character and integrity, and I do not believe that there is a man within King County belonging to the Spanish War organization who is better and more favorably known than Mr. Yates.

It is a very easy matter for the Pension Department to say that, after the lapse of 10 years, the condition of Yates's leg was not the result of any injuries received while in the service. I have asked Dr. Bourns, whose affidavit you will find attached hereto, to look into this matter carefully. Dr. Bourns states to me that it is his professional opinion that the condition he found at the time he amputated Mr. Yates's leg arose by reason of the facts set forth in the other affidavits. Dr. Bourns is a man who has had a very wide experience. He was connected with the health department in the city of Seattle for a number of years. He is at this time one of the surgeons of the Northern Pacific Railway Co., and has in addition thereto a large and lucrative practice. I do not know whether you are acquainted with him or not, but he stands high in his profession in this county.

I know that you have always expressed a friendship for the men who were in the Spanish War. I also know that there are a great many fraudulent pension claims granted in the regular routine, and also that the man who had a poor hospital record does not stand upon the same footing as the man who was always answering the hospital call. I also appreciate that the matter of getting a special bill through Congress requires considerable work, and that there are many fraudulent claims continuously being put before the committee.

The boys have put this matter in my hands, and I hesitated a considerable time about whether to send the original affidavits to you or to Mr. HUMPHREY. Inasmuch as Mr. Yates had talked to Mr. HUMPHREY about the matter, and HUMPHREY had agreed to do something for him, I finally thought it best to send them to him, and I know that in doing so you are too broad-minded a man to feel that the originals should have been sent to you. I believe further that you will recognize merit, and I firmly believe that it is going to be your endeavor to represent upon broad-minded grounds the district in which you reside, and it is upon such assumption that I am writing you this letter, because I believe that it has reached that stage in politics where merit will prevail and the man who endeavors to hand out a square deal will be recognized; and I want, in closing, to assure you that any consideration you can give to this claim will be appreciated by our organization within King County.

It is needless for me to say that I am acting in this matter not as an attorney, but I am willing to do anything that I can for Mr. Yates, because I know that he is deserving, and if you can make any suggestions in connection with the subject matter of this letter, the same will be gladly received by myself and by the organization.

Very respectfully,

C. H. WINDERS.

These statements by Mr. Winders are verified by several affidavits, two of which follow:

IN THE MATTER OF THE APPLICATION OF HENRY YATES, ALSO KNOWN AS HARRY YATES, CORPORAL, TROOP B, ELEVENTH CAVALRY, UNITED STATES VOLUNTEERS, FOR PENSION.

STATE OF WYOMING,
County of _____, ss:

Walter Cross, being first duly sworn, on oath deposes and says that he was a private in Troop B, Eleventh Cavalry, United States Volunteers, from September 18, 1899, to the muster out of said troop in March, 1901, and during all of that period served in said troop and associated with and was well acquainted with Corpl. Yates, being Henry Yates and sometimes known as Harry Yates, being his bunk mate during a considerable period of that time, the said Yates being the only Yates in said troop; and affiant further states that he served with said Yates during the entire campaign in the Philippines, and that he has a distinct recollection of Yates being injured on the left knee or leg on at least two occasions, under the following circumstances:

He was kicked by his horse at Inus, P. I., and also by MacMahon's horse at Naig, P. I. MacMahon's horse kicking Ferrell, the blacksmith, at the same time it kicked Yates. The first accident happened some time between January 6 and January 27, 1900, at the time when his troop was escort to Gen. Bates, Yates being kicked at Inus either on the second or third day out on this trip. At that time he was kicked on the left knee, and also received a slight kick on the left cheek. He limped around for several days, and apparently suffered considerable pain. I do not believe, however, that he went to the doctors, because he was a man who would not call upon a doctor unless he was unable to move.

At Naig he was helper to the blacksmith, and as I have stated, both the blacksmith and himself were kicked by MacMahon's horse. This horse was a mean horse, but Capt. Davidson had directed that none of the horses be thrown when shod.

I was Yates's tent mate at the time, and I know that as a result of being kicked his left knee bothered him for some considerable time, and while he continued with his work he was required to use a stick or cane, and used a cane for some time thereafter.

It is my recollection that at the time that Yates and Ferrell were kicked that Capt. Davidson was present. This accident happened some time between February 22 and April 21, 1900.

I was very close to Harry Yates, being his tent mate, and I know that he continued to suffer from time to time from this leg. He would particularly complain after mounted drill that his leg pained him as a result of being rubbed by his carbine, and I know from my personal association with him that it gave him considerable trouble, although he was a man who would keep his troubles from being generally known and was not a man who could complain to his superior officers, as I am satisfied every officer and member of the troop will testify. I know that at times up to the time of our muster out Harry would complain of his leg; sometimes he thought that it might be rheumatism, but by reason of his grit he would not yield to the belief that he had any serious injury.

WALTER CROSS.

Subscribed and sworn to before me this 11th day of October, 1912.

[SEAL.]

A. G. MORRIS,
Notary Public in and for the State of Wyoming,
Residing at Green River.

VANCOUVER, B. C., December, 1912.

On or about the last part of March or the first part of April, 1900, Harry Yates, of Troop B, Eleventh United States Volunteer Cavalry, was in my squad while in the service. I remember quite well of Harry being kicked on the knee by a vicious sorrel horse which Capt. Davidson had given orders not to be thrown while being shod. I also remember Harry Yates complaining about his knee bothering him for some time afterwards, especially after mounted drill. How I remember this so well—from being in my squad, I felt it well to be as lenient with him as possible.

MARCUS GROWIN.

GRAND UNION HOTEL, Vancouver, B. C.

Subscribed and sworn to before me this 10th day of December, 1912, at Vancouver, B. C.

[SEAL.]

DAVID F. WILBUR,
Consul General of the United States
of America at Vancouver, B. C.

No fee prescribed for oaths in connection with applications for pensions.

Then follow affidavits by A. V. Davidson, Tim Ericson, Fred Duhig, John W. McMahon, D. M. Leckron, all comrades of Yates, verifying and strengthening the statements in the letter and affidavits above cited. Then follows the affidavit of Dr. F. S. Bourns, one of the most reliable physicians and surgeons of the Northwest:

STATE OF WASHINGTON,
County of King, ss:

F. S. Bourns, a physician and surgeon duly licensed in the State of Washington, declares as follows:

That he has been the medical attendant of Harry Yates since March, 1912; that at the time said Harry Yates was suffering from an injured knee which, after careful study into the history and actual condition of the patient, was determined by the affiant to be a cancer of the bone of the knee joint (inner condyle of the femur, left leg); that on the 9th of April, 1912, the leg was amputated above the knee for said cancer, and that the subsequent pathological examination proved it to be cancer of the bone (osteosarcoma); that the affiant has since that time made careful study in regard to the origin of the growths of this character, and that in view of the fact that many cancers of this character give a clearly defined history of irritation or injury, in some cases extending many years back, the affiant is of the opinion that the injury sustained by said Harry Yates while in the service of the United States, being kicked twice by a horse on this same bone where the cancer subsequently developed and at the same spot where it subsequently developed, and there being an accompanying irritation following said injuries due to the constant irritation of horseback riding, may be considered as the cause of the cancer which subsequently formed.

The principle involved on which this opinion is based is well known to the medical profession, and specific instances can be cited should such be required.

F. S. BOURNS.

Subscribed and sworn to before me this 24th day of April, 1913, by F. S. Bourns, personally known to me to be the person who executed the foregoing instrument, and a reputable practicing physician of the State of Washington.

[SEAL.]

MARTHA H. WALKER, Notary Public.

Here we have a Spanish-American War veteran of splendid moral character hobbling about on one leg as a result of an injury received in the service under the conditions set forth, and yet he must go without a pension, although so many claims which, it seems to me, are much less meritorious are amply taken care of.

The bill I introduced covering this claim was as follows:

A bill (H. R. 7221) granting a pension to Harry Yates.

Be it enacted, etc., That the Secretary of the Interior be, and he is hereby, authorized and directed to place on the pension roll, subject to the provisions and limitations of the pension laws, the name of Harry Yates, late of Eleventh Regiment United States Volunteer Cavalry, War with Spain, and pay him a pension at the rate of \$30 per month.

My colleague [Mr. HUMPHREY of Washington], to whom Mr. C. H. Winders sent the original affidavits, also introduced a similar bill. This claim ought to be allowed and the pension granted by this Congress. Never was a more meritorious case presented.

Mr. KEY of Ohio. Mr. Speaker, I ask to call up the bill S. 7212.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

An act (S. 7212) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War and to certain widows and dependent relatives of such soldiers and sailors.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. KEY of Ohio. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER. The gentleman from Ohio asks unanimous consent that this bill be considered in the House as in Committee of the Whole House on the state of the Union. Is there objection? [After a pause.] The Chair hears none.

The bill was read.

The following committee amendments were severally considered and severally agreed to:

Page 1, line 8, strike out "\$16" and insert "\$12."
 Page 2, strike out lines 4 to 7, inclusive (Letta D. Webster).
 Page 2, line 14, strike out "\$30" and insert "\$24."
 Page 2, line 17, strike out "\$20" and insert "\$24."
 Page 2, strike out lines 23 and 24, and, page 3, strike out lines 1 and 2 (Edward Lenfesty).
 Page 3, strike out lines 3 to 6, inclusive (John Howard).
 Page 3, line 9, strike out "\$20" and insert "\$17."
 Page 3, line 17, strike out "\$16" and insert "\$12."
 Page 3, line 20, strike out "\$20" and insert "\$15."
 Page 4, line 3, strike out "\$20" and insert "\$17."
 Page 4, strike out lines 8 to 10, inclusive (Frank D. Brown).
 Page 4, strike out lines 11 to 16, inclusive (Marie A. Berry).
 Page 4, strike out lines 17 to 20, inclusive (Charles W. Coolidge).
 Page 4, strike out lines 21 to 24, inclusive (Edward J. Gailan).
 Page 5, strike out lines 3 to 5, inclusive (George J. Newman).
 Page 5, line 12, strike out "\$16" and insert "\$12."
 Page 5, line 21, strike out "\$30" and insert "\$24."
 Page 6, line 6, strike out "\$15" and insert "\$12."

The bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. KEY of Ohio, a motion to reconsider the vote by which the bill was passed was laid on the table.

The foregoing bill is a substitute for the following Senate bills referred to the Committee on Pensions:

S. 1153. David R. Todd.	S. 5993. Vernon D. Blalock.
S. 2716. Samuel Rook.	S. 6098. Ray M. Sherman.
S. 3124. Mary B. Howland.	S. 6130. Frank D. Brown.
S. 3318. Letta D. Webster.	S. 6238. Marie A. Berry.
S. 3972. Horace M. Patton.	S. 6272. Charles W. Coolidge.
S. 4408. John A. Shannon.	S. 6347. Edward J. Gailan.
S. 4905. Noah E. Curtis.	S. 6415. David W. Cutting.
S. 4912. Edward Lenfesty.	S. 6427. George J. Newman.
S. 4949. John Howard.	S. 6515. Richard M. Longfellow.
S. 5381. Daniel W. Setzer.	S. 6681. Frank F. Judson.
S. 5617. William Quindlin.	S. 6733. Robert S. Smylie.
S. 5636. Jacob Smith.	S. 6821. Matthew H. Jackson.
S. 5905. Charles Gustoson.	S. 6835. Mary E. Wash.
S. 5952. Oscar Ernst.	S. 6904. Samuel L. Hess.

Mr. KEY of Ohio. Mr. Speaker, I ask unanimous consent to call up the bill S. 6981.

The SPEAKER. The gentleman from Ohio asks unanimous consent to call up the bill, the title of which the Clerk will report.

The Clerk read as follows:

An act (S. 6981) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. KEY of Ohio. Mr. Speaker, I ask unanimous consent that the bill be considered in the House as in the Committee of the Whole House on the state of the Union.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

The bill was read.

The Clerk read the following committee amendment:

Page 5, strike out lines 18 to 21, inclusive (Minnie Wadsworth Wood).

Mr. CALDER. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman rise?

Mr. CALDER. I rise to oppose the amendment just read.

The SPEAKER. The gentleman can proceed for five minutes.

Mr. CALDER. Mr. Speaker, Minnie Wadsworth Wood is the widow of Gen. Oliver E. Wood, who served in the Civil War as a private soldier for about a year and a half and obtained an honorable discharge. After this service he entered West Point Military Academy, graduated in 1867, and was then appointed second lieutenant. He served continuously from 1867 to 1902. He had some service in the Indian wars and all through the Spanish War, retiring as a brigadier general. On his death in 1910 he left a widow with little or no income, and this provision in the bill seeks to give the widow a pension of \$40 a month, which is the amount usually granted to widows of general officers. The report of the Senate committee indicates that he was sick during the last years of his life, and while it has been impossible to directly trace the cause of his death to illness incurred in the service, the doctors who examined him rather indicate that unquestionably this was the case. I repeat, he served nearly 40 years in the Regular Army, he had a year and a half service in the Civil War, and, in view of the many precedents established, it seems to me that in so meritorious a case the Congress would be doing simple justice in granting this pension. [Applause.] I hope, Mr. Speaker, that the House will vote down the committee amendment.

Mr. KEY of Ohio. Mr. Speaker, I do not believe this House is going to attempt to amend these omnibus bills on the floor of the House. I will state to the gentleman from New York that this item will receive proper consideration in conference. I think it is a bad precedent to amend these bills on the floor of the House. On page 47 of the report, report No. 1448, the gentleman will note the reasons set out in the report why the committee declined to make a favorable report on this item, and I trust the gentleman will not press his amendment.

Mr. CALDER. I am going to ask for a vote.

The SPEAKER. The question is on agreeing to the committee amendment.

The question was taken, and the Speaker announced the ayes appeared to have it.

Mr. CALDER. Division, Mr. Speaker.

The House divided; and there were—ayes 40, noes 25.

So the committee amendment was agreed to.

The following committee amendments were severally considered and severally agreed to:

Page 2, line 5, strike out "\$30" and insert "\$17."
 Page 2, strike out lines 10 to 12, inclusive (Fritz Hedlund).
 Page 2, strike out lines 24 to 26, inclusive (F. Isabelle Lawrance).
 Page 3, strike out lines 4 to 7, inclusive (Michael Grace).
 Page 3, strike out lines 8 to 13, inclusive (Lillian J. Hartley).
 Page 3, strike out lines 14 to 17, inclusive (William L. Rouser).
 Page 3, strike out lines 21 to 24, inclusive (Nathan Long).
 Page 4, strike out lines 16 to 19, inclusive (Margaretha Matthes).
 Page 4, strike out lines 20 to 22, inclusive (Samuel C. Cochran).
 Page 5, strike out lines 6 to 9, inclusive (Martin L. Williams).
 Page 7, line 3, strike out "\$20" and insert "\$17."

The bill as amended was ordered to be read a third time, was read the third time, and passed.

On motion of Mr. KEY of Ohio, a motion to reconsider the vote by which the bill was passed was laid on the table.

The foregoing bill is a substitute for the following Senate bills referred to the Committee on Pensions:

S. 1021. Mary F. Gaddie.	S. 5877. Frank Knitter.
S. 1208. Edwin R. Gibson.	S. 5984. Margaretha Matthes.
S. 1540. Richard L. Miller.	S. 5999. Samuel C. Cochran.
S. 1863. Patrick P. Finnerin.	S. 6037. Osco L. Robinson.
S. 2436. Fritz Hedlund.	S. 6216. John H. Burke.
S. 2995. Charles S. Allen.	S. 6317. Martin L. Williams.
S. 4207. Maggie Norment.	S. 6472. James L. Redding.
S. 4329. William R. Faulkner.	S. 6475. William A. Downs.
S. 4389. F. Isabelle Lawrance.	S. 6512. Minnie Wadsworth Wood.
S. 4519. William M. Swart.	S. 6513. Joseph G. Winkler.
S. 5030. Michael Grace.	S. 6532. Frank Varney.
S. 5503. Lillian J. Hartley.	S. 6544. Frank Sutterfield.
S. 5527. William L. Rouser.	S. 6602. Oscar Gray.
S. 5535. Harry Jackson.	S. 6618. Oscar O. Lee.
S. 5537. Nathan Long.	S. 6647. Margaret A. Bennett.
S. 5682. Catherine E. Prine.	S. 6677. David O. Scott.
S. 5788. Alice I. Henderson.	S. 6805. John F. Davis.

Mr. KEY of Ohio. Mr. Speaker, I ask unanimous consent to take up the bill S. 7597.

SUNDRY CIVIL BILL.

Mr. FITZGERALD. Mr. Speaker, I call up the conference report on the bill H. R. 21318, "An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1916, and for other purposes," and I ask unanimous consent that the statement may be read in lieu of the report.

The SPEAKER. The gentleman from New York calls up the conference report on the sundry civil bill and asks unanimous consent that the statement may be read in lieu of the report. Is there objection? [After a pause.] The Chair hears none. The Clerk will read.

Following are conference report and statement:

CONFERENCE REPORT (NO. 1471).

The committee of conference on the disagreeing votes of the two Houses on certain amendments of the Senate to the bill (H. R. 21318) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1916, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 10, 23, 24, 26, 27, 33, 36, 37, 39, 40, 41, 42, 43, 45, 46, 47, 53, 54, 56, 57, 58, 61, 62, 64, 69, 70, 71, 74, 75, 76, 77, 78, and 79.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, 7, 9, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 25, 29, 31, 35, 38, 44, 48, 49, 50, 51, 52, 55, 59, 60, 67, 73, 80, 81, 82, 83, 84, and 85, and agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows: Transpose the matter proposed to be inserted by said amendment to page 11 of the bill, after line 7; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following:

"Connecting parkway between Rock Creek and Potomac Parks: To enable the commission, created by section 22 of the public-buildings act approved March 4, 1913, to survey the exact boundaries of the lands now desired to be embraced in a connecting parkway between Potomac Park and Zoological Park and to submit a map showing in detail such survey and indicating the changes proposed thereby as compared with the map now on file in the office of the engineer commissioner of the District of Columbia dated May 17, 1911, \$5,000."

And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the number inserted by said amendment insert the following: "82"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,483,000"; and the Senate agree to the same.

Amendment numbered 32: That the House recede from its disagreement to the amendment of the Senate numbered 32, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,698,000"; and the Senate agree to the same.

Amendment numbered 34: That the House recede from its disagreement to the amendment of the Senate numbered 34, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$631,500"; and the Senate agree to the same.

Amendment numbered 63: That the House recede from its disagreement to the amendment of the Senate numbered 63, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$825,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$13,530,000"; and the Senate agree to the same.

Amendment numbered 66: That the House recede from its disagreement to the amendment of the Senate numbered 66, and agree to the same with an amendment as follows: In lieu of the sum named in said amendment insert "\$25,000"; and the Senate agree to the same.

Amendment numbered 72: That the House recede from its disagreement to the amendment of the Senate numbered 72, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$65,000"; and the Senate agree to the same.

JNO. J. FITZGERALD,
SWAGAR SHERLEY,
FRED H. GILLET,
Managers on the part of the House.

THOMAS S. MARTIN,
LEE S. OVERMAN,
F. E. WARREN,
Managers on the part of the Senate.

STATEMENT.

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate, except No. 68, to the bill (H. R. 21318) making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1916, and for other purposes, submit the following written statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of the said amendments, namely:

Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21, relating to sites, construction, rent, etc., of public buildings: Insert items, proposed by the Senate, as follows:

Arkadelphia, Ark., completion, \$55,000.

Boise, Idaho, rent of quarters, \$10,000.

Charlotte, N. C., rent of quarters, \$4,000.

Cleveland, Ohio, mail chutes, \$800.

Concord, N. H., rent of quarters, \$5,000.

Danville, Va., tower and tower clock, \$2,500.

Harrisburg, Pa., rent of quarters, \$4,200.

Lincoln, Nebr., rent of quarters, \$5,000.

Madison, Wis., rent of quarters, \$15,000.

Newport, R. I., rent of quarters, \$12,000.

Oakland, Cal., site, \$51,750.

Portland, Ind., completion, \$18,000.

Portland, Oreg., continuation, \$55,000; and authorizes the Secretary of the Treasury to eliminate the installation of vacuum cleaning and air-washing machinery, intercommunicating telephones and clock systems, etc., as proposed by the Senate.

Poughkeepsie, N. Y., rent of quarters, \$10,000.

Reading, Pa., rent of quarters, \$5,000.

Sandusky, Ohio, rent of quarters, \$12,000.

Toledo, Ohio, rent of quarters, \$5,000.

Waynesville, N. C., \$21,000.

Willow, Cal., commencement, \$20,000.

Wilmington, N. C., customhouse, \$200,000.

New Haven, Conn.: Appropriates \$400,000, as proposed by the House, for completion, instead of \$550,000, as proposed by the Senate, for continuation.

No. 22: Authorizes the commission in charge of the proposed connecting parkway between Rock Creek Park and Potomac Park to prepare a map showing the changes proposed in the boundaries of lands to be embraced therein and makes an appropriation of \$5,000 to defray the expenses incident thereto.

No. 23: Strikes out the authority, inserted by the Senate, authorizing the Secretary of the Treasury to dispose of the wharf and warehouse at Sitka, Alaska.

No. 24: Strikes out the increase of \$18,000, proposed by the Senate, in the appropriation for architectural competitions for public buildings.

Nos. 25, 26, and 27, relating to the coast guard: Inserts authority for the purchase of water for vessels; strikes out the provision making 10 per cent of the various amounts available interchangeably; and strikes out the appropriation of \$9,000 for a harbor boat to replace the *Hartley* at San Francisco.

Nos. 28, 29, 30, 31, 32, 33, and 34, relating to engraving and printing: Provides for 82,000,000 sheets of United States currency, instead of 74,000,000 sheets as proposed by the House and 90,000,000 sheets as proposed by the Senate; increases the number of sheets of customs stamps from 200,000 to 239,000; appropriates \$1,483,000 for salaries of employees other than plate printers and their assistants, instead of \$1,300,000 as proposed by the House and \$1,521,600 as proposed by the Senate; strikes out the authority, proposed by the House, for custody of dies, rolls, and plates; appropriates \$1,698,000 for wages of plate printers and their assistants, instead of \$1,561,421 as proposed by the House and \$1,801,059 as proposed by the Senate; appropriates \$631,500 for engravers' and printers' materials, instead of \$615,526 as proposed by the House and \$657,526 as proposed by the Senate; and restores the authority, proposed by the House, for passenger-carrying vehicles.

No. 35: Appropriates \$25,000, as proposed by the Senate, for expenses of conversion of United States 2 per cent bonds into 1-year 3 per cent Treasury notes or 30-year 3 per cent bonds, provided by section 18 of the Federal reserve act.

Nos. 36 and 37: Provides for 73,500,000 sheets of distinctive paper for United States currency, as proposed by the House, instead of 90,500,000 sheets, as proposed by the Senate; and appropriates \$415,000, as proposed by the House, instead of \$488,950, as proposed by the Senate.

No. 38: Appropriates \$8,400 for custody of dies, rolls, and plates, as proposed by the Senate.

Nos. 39, 40, 41, 42, and 43, relating to the Public Health Service: Strikes out the appropriation of \$25,000, proposed by the Senate, for 12 additional assistant surgeons; strikes out the authority, proposed by the Senate, for the use of the unexpended balances of appropriations for the Hygienic Laboratory; strikes out the increase of \$5,000, proposed by the Senate, in the appropriation for the quarantine service; and strikes out the increase of \$25,000, proposed by the Senate, in the appropriation for field investigations.

No. 44: Extends the limit of time for beginning the erection of the George Washington Memorial Building to March 4, 1917, as proposed by the Senate.

No. 45: Strikes out the appropriation of \$3,000, proposed by the Senate, for the Navajo National Monument, Ariz.

No. 46: Appropriates \$3,000,000, as proposed by the House, instead of \$1,900,000, as proposed by the Senate, for the valuation of the property of carriers.

No. 47: Strikes out the appropriation of \$25,000, inserted by the Senate, for the collection of the military records of the Revolution.

Nos. 48, 49, and 50, relating to the Frankford Arsenal: Appropriates \$72,000 for a tin shop and \$22,500 for the extension of the lumber shed, as proposed by the Senate.

No. 51: Reappropriates the balance of the appropriation of \$3,600 made for semaphore signals for the draw span of the bridge at the Rock Island Arsenal for the fiscal year 1915 for expenditure during the fiscal year 1916, as proposed by the Senate.

Nos. 52 and 53: Inserts the authority for exchange of motor-propelled and horse-drawn passenger vehicles for the office of Public Buildings and Grounds in Washington and strikes out authority for maintenance, repair, and operation of one delivery wagon.

No. 54: Strikes out the appropriation of \$50,000, inserted by the Senate, to begin the construction of two public bathhouses on the tidal basin in Potomac Park.

No. 55: Increases the appropriation for the Commission of Fine Arts from \$5,000 to \$6,000, as proposed by the Senate.

Nos. 56, 57, and 58: Strikes out the appropriation of \$31,834, inserted by the Senate, for sea wall and back filling Johns Creek at the Southern Branch of the National Home for Disabled Volunteer Soldiers.

No. 59: Changes the designation of the "Old Post Office Department Building" to the "General Land Office Building," as proposed by the Senate.

Nos. 60, 61, and 62, relating to the Bureau of Mines: Inserts the authority, proposed by the Senate, requiring the bureau to recommend to the various departments such changes in selection and use of fuel as may result in greater economy, and strikes out the increase of \$15,000, proposed by the Senate, in the sum for inquiries and investigations of petroleum and natural gas.

Nos. 63, 64, and 65, relating to the Reclamation Service: Appropriates \$825,000, instead of \$725,000, as proposed by the House, and \$934,000, as proposed by the Senate, for the Yuma project, and strikes out the appropriation of \$450,000, proposed by the Senate, for the north canal unit of the Deschutes project, Oregon.

No. 66: Appropriates \$25,000 instead of \$75,000, as proposed by the Senate, for medical relief of the natives of Alaska.

No. 67: Appropriates \$75,000, as proposed by the Senate, instead of \$40,000, as proposed by the House, for Glacier National Park, Mont.; and inserts the authority, proposed by the Senate, for the repair of roads from the park to the Blackfeet Indian Reservation.

Nos. 69, 70, 71, and 72, relating to the Department of Justice: Appropriates \$17,000 for defending suits in claims against the United States and \$13,000 for defense in Indian depredation claims, as proposed by the House, instead of \$32,000, proposed by the Senate, for defending suits in claims against the United States; and appropriates \$65,000 instead of \$50,000, as proposed by the House, and \$75,000, as proposed by the Senate, for suits affecting Pacific railroads.

No. 73: Appropriates \$14,500 to pay the widow of Horace H. Lurton, late a justice of the Supreme Court of the United States, as proposed by the Senate.

Nos. 74 and 75, relating to the Coast and Geodetic Survey: Strikes out the increase of \$25,000 proposed by the Senate in the appropriation for surveys on the Pacific coast.

Nos. 76, 77, 78, 79, and 80, relating to the Bureau of Fisheries: Strikes out the civil engineer at \$2,000, the clerk to the deputy commissioner at \$1,200, and the increase of \$15,000 in the sum for maintenance of vessels; and inserts the increase of \$10,000, proposed by the Senate, in the appropriation for the Alaska general service.

Nos. 81, 82, and 83, relating to the Senate: Appropriates \$55,000 for the maintenance of the Senate Office Building, \$5,000 for furniture for the Senate Office Building, and \$17,500 for the Senate kitchens and restaurants.

Nos. 84 and 85, relating to the Panama Canal: Strikes out the limitation of \$1,000, proposed by the House, on the purchase of textbooks and books of reference; and makes a verbal correction in the text of the bill.

JOHN J. FITZGERALD,
SWAGAR SHERLEY,
FREDK. H. GILLET,
Managers on the part of the House.

The SPEAKER. The question is on agreeing to the conference report.

Mr. MANN. Will the gentleman yield? I did not hear all of the statement. Is this a complete report?

Mr. FITZGERALD. It is a complete report.

Mr. MANN. So that agreeing to this report agrees to the sundry civil bill?

Mr. FITZGERALD. It winds the sundry civil bill up.

The bill as it passed the House carried \$125,790,047.79. The Senate added \$2,390,372 and struck out \$1,100,000 of the amount provided by the House for the physical valuation of railroads. The total amount added by the Senate was \$1,290,372. The bill as it passed the Senate carried \$127,080,419.79. The Senate receded from \$1,262,669, and the conference restored \$1,100,000 for the physical valuation of railroads.

The bill as agreed upon carries \$126,922,750.79, or \$1,127,703 more than it carried when it passed the House. The appropriations for the current year in the sundry civil bill were \$130,728,037.39. This bill is \$3,805,286.60 less than the appropriations for the current year. The estimates submitted for consideration in the preparation of this bill were \$137,616,472.89, and the bill carries \$10,693,722.10 less than the estimates submitted.

Mr. MANN. Mr. Speaker, what was done with the Senate amendment reducing the appropriation for the valuation of railroads?

Mr. FITZGERALD. The amount recommended by the House was restored—\$3,000,000.

There is only one other matter to which perhaps I should call the attention of the House. That is the amendment of the Senate relative to the connecting parkway between Rock Creek Park and Potomac Park. The Senate amendment authorized the changing of the map by the commission and the acquisition of such additional land as they deemed desirable or the exclusion of land, providing that no more is acquired than originally authorized. It was impossible to ascertain just what was desired to be done in the way of acquiring or eliminating land. The conferees agreed to a provision authorizing the commission to have a survey made so as to show the proposed changes, and appropriated \$5,000 to enable that to be done.

If no one wishes further information, Mr. Speaker, I ask for a vote.

Mr. FOSTER. Will the gentleman yield to me two or three minutes?

Mr. FITZGERALD. Mr. Speaker, I yield five minutes to the gentleman from Illinois [Mr. FOSTER].

Mr. FOSTER. Mr. Speaker, I should like to ask the gentleman what became of the \$15,000, which was an increased amount for the investigation of gas and petroleum?

Mr. FITZGERALD. My recollection is that the Senate receded, and the appropriation of \$35,000, recommended by the House, is made.

That was Senate amendment No. 61. The House recommended \$35,000, and the Senate increased the sum to \$50,000, and the Senate receded. The amount appropriated is \$35,000.

Mr. FOSTER. Mr. Speaker, I realized that, of course, the conferees were endeavoring to keep this bill down to the lowest amount possible, and I want to congratulate the chairman and those who were with him in their efforts to reduce this appropriation below what it was last year and so much below the estimates as made to Congress. This appropriation is:

For inquiries and investigations concerning the mining, preparation, treatment, and utilization of petroleum and natural gas, with a view to economic development and conserving resources through the prevention of waste; to inquire into the economic conditions affecting the industry, \$35,000.

It was raised by the Senate to \$50,000 and not agreed to, and it remains at \$35,000. It is the second appropriation Congress has made for this purpose, and we are gratified to know that this investigation has resulted in such a great conservation of this natural resource of our country. It has been demonstrated in Oklahoma that it is possible to conserve and save the natural gas so that it may be utilized at some future time and not permitted to be wasted as usually is done in the oil fields throughout the country.

This morning the newspapers carried the news, which is correct, that a discovery has been made by those connected with the Bureau of Mines whereby they are able to realize by a new process, which, of course, will be given to the people, and may secure in the extraction of gasoline more than twice as much as now is secured in the refining process. It is known that the Standard Oil Co., of course, has a patented process whereby they are able to extract more than independent companies, but under this new process every independent company in the country will be able to avail itself of the discovery by this bureau. I am sure that the appropriations that have been made in the past, which amount to \$60,000, have worked great good to the people generally throughout the country. I am pleased to know that such progress is being made along these lines as we have had.

I ask unanimous consent, Mr. Speaker, that I may extend my remarks in the RECORD upon this subject.

The SPEAKER. Is there objection?

Mr. DIES. Mr. Speaker, a parliamentary inquiry. I wish to inquire of the status of the debate.

The SPEAKER. The gentleman from New York [Mr. FITZGERALD] has an hour if he wants it, and has the right to move the previous question at any time he gets ready.

Mr. DIES. I would like 10 minutes.

The SPEAKER. The gentleman from Illinois [Mr. FOSTER] asks unanimous consent to extend his remarks. Is there objection?

Mr. BORLAND. Mr. Speaker, I want to reserve the right to object. I would like to ask the gentleman from Illinois if it was his purpose to insert the Secretary of the Interior's explanation?

Mr. FOSTER. I may insert a part or all of it.

Mr. BORLAND. I think that ought to be done.

Mr. FOSTER. I wanted to do that.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. FOSTER. Under leave to extend my remarks, I desire to print the information conveyed in the interview of Secretary Lane:

WASHINGTON, February 27.

Secretary of the Interior Lane to-day announced the discovery by the United States Bureau of Mines of two chemical processes, one of which, it is claimed, will be of tremendous importance to the oil industry, greatly increasing the supply of gasoline, while the other may make the United States absolutely independent of the rest of the world in regard to important materials necessary for the dye industry and the manufacture of high explosives used in warfare and in engineering operations.

The first of these processes promises to enable the independent refiners in this country to increase their output of gasoline from petroleum 200 per cent or more. With an estimated production on the part of the independent refiners of 12,000,000 barrels of gasoline in a year, this will mean an output from the independents alone of 36,000,000 barrels, greater than the total production to-day from all sources.

The second process includes the manufacture from crude petroleum of what is known chemically as toluol and benzol, both of which have heretofore been obtained from coal tar. As Germany has specialized far beyond other countries in by-products from coal, the United States and the rest of the world have been dominated by that country as regards those products of toluol and benzol, which are the important bases for the production of dyestuffs and high explosives, and especially smokeless powder.

The discoverer of these two valuable processes, after many years of research, is Dr. Walter F. Rittman, chemical engineer of the Bureau of Mines, the work having been done at Columbia University, New York, the facilities of the laboratory there having been turned over to the Federal Government by President Nicholas Murray Butler.

Application has been made by Dr. Rittman, on behalf of the Federal Government, to patent these processes in order to prevent any monopoly in their use, the patents to be dedicated to the whole American people.

"These processes," said Secretary Lane to-day, "are fraught with the utmost importance to the people of this country. For some time the Standard Oil Co., through the great amount of money at its command, through its employment of expert chemists, and through its extensive organization, has had a big advantage over the independents in the production of gasoline, this company having a patented process that obtains for it as much as three times the amount of gasoline from a given quantity of petroleum as the independents now obtain. There are two or three other large corporations that have an efficient process for the manufacture of gasoline, but the independents, as a whole, have never been able even to approach the results obtained by the Standard Oil Co. Now the Federal Government, through the efforts of Dr. Rittman, proposes to make free for the use of all of the people of this country who wish it a process that is confidently expected to increase their yields of gasoline from crude petroleum fully 200 per cent, and perhaps more, such results having repeatedly been obtained in the laboratory.

It is claimed by Dr. Rittman that his process is safer, simpler, and is more economical in time than processes now in use, and these are

economic factors of great importance. With a steadily increasing demand for gasoline for automobiles, motor boats, and engines this fortunate discovery comes at the proper time. It is but two years ago that the automobile industry, fearful that the supply of gasoline might not be adequate for its rapidly expanding business, offered through the International Association of Recognized Automobile Clubs a prize of \$100,000 for a substitute for gasoline that would cost less than gasoline. Happily the urgency of this situation has passed, and at the present time there is a plentiful supply of motor fuel to meet immediate demands. This new process adds to the hope that in spite of the wonderful growth in the use of gasoline there may not be any shortage in the future. It indicates an increased production of gasoline from the present production of petroleum—an output of 50,000,000 barrels instead of 25,000,000 as under the present methods. It will render free for use to all the results of that efficient and intelligent research which has heretofore been only at the command of the wealthy. I am led to believe that it will not only be of inestimable value to the refiners commanding but limited capital as well as those of wealth, but also to the hundreds of thousands of users of gasoline. When it is realized that the gasoline industry each year in this country yields products amounting in value to between \$100,000,000 and \$150,000,000 the importance of this discovery is seen.

The second process discovered by Dr. Rittman may prove of much more value to the country than the first, in that it suggests the establishment of an industry in which Germany has heretofore been pre-eminent—the dye industry; and also promises indirectly a measure of national safety of incalculable import. Among necessary ingredients of high explosives used in modern warfare toluol and benzol are in the first rank. Heretofore these products have mainly been obtained in Germany and England from coal tar, and the explosive manufacturers have had to depend largely on the supply from these sources in the making of explosives. I understand that some toluol and benzol have been obtained from American coal and water gas tars, but this supply does not begin to satisfy the present demands. The Federal Government now proposes to obtain the toluol and benzol from crude petroleum also. I am further informed that these products can be produced from practically any American petroleum, and that the supply can be made sufficient not only for the entire American trade, but also for other purposes. This process has gone far enough to indicate that the two products can be produced at a reasonable cost. The real comforting thing, however, is that we have the knowledge that this new source of supply is at the command of our people, and that in time of great national stress, if the Nation is ever called upon to defend itself, we will be able to manufacture the most efficient and most powerful explosives known in warfare. Were it not for this discovery it is possible that in such an emergency we might be compelled to rely largely on the greatly inferior explosives that were used in the time of our Civil War, and this would spell national disaster.

Dr. Rittman concludes from his experiments that this process may become more economical than the German method of obtaining these products from coal tar, as this process not only makes toluol and benzol but also gasoline in considerable quantities. He intimated to me the possibility of the value of the gasoline being an important factor in paying the costs of the process. If this should prove to be true, it may result in eventually giving the United States a supremacy in the dyestuffs industry that has for some time belonged to Germany, since toluol and benzol are the source of many of these important dyestuffs that are used in the silk, cotton, and woolen industries. It would also tend to prevent disturbance of the great industries engaged in the manufacture of silks, cottons, and woollens in such extraordinary times as we are now experiencing, for we would be able to supply them with the necessary dyes.

Mr. FITZGERALD. I yield five minutes to the gentleman from Texas [Mr. DIES].

[Mr. DIES addressed the House. See Appendix.]

The SPEAKER. The question is on agreeing to the conference report.

The question was taken, and the conference report was agreed to.

On motion of Mr. FITZGERALD, a motion to reconsider the vote whereby the conference report was agreed to was laid on the table.

ACCOUNT BETWEEN THE UNITED STATES AND THE DISTRICT OF COLUMBIA (H. DOCS. NOS. 1627 AND 1628).

Mr. JOHNSON of Kentucky. Mr. Speaker, the subcommittee of the Committee on the District of Columbia has directed me to make report of the work of the accountant upon the District of Columbia Committee relative to the Government Hospital for the Insane and also relative to the general account between the District of Columbia and the United States, for the purpose of printing.

The SPEAKER. The Clerk will report it by title.

Mr. JOHNSON of Kentucky. There is no title to it.

Mr. MANN. Is this a privileged matter?

Mr. JOHNSON of Kentucky. I will say to the gentleman that instead of making the report through the basket I am making it direct to the House, in order that it may be printed.

The SPEAKER. It is in response to a resolution of the House. It is ordered printed.

PENSIONS.

Mr. KEY of Ohio rose.

The SPEAKER. For what purpose does the gentleman from Ohio rise?

Mr. KEY of Ohio. I rise, Mr. Speaker, to ask unanimous consent to consider Senate bill 7597, granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

Mr. MANN. I suggest to the gentleman that he ask unanimous consent to consider the bill in the House as in Committee of the Whole.

Mr. KEY of Ohio. Yes. I ask unanimous consent, Mr. Speaker, to consider the bill in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the gentleman's request?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the title of the bill, as follows:

A bill (S. 7597) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

The foregoing bill is a substitute for the following Senate bills referred to the House Committee on Pensions:

S. 1003. William E. McGee.	S. 6697. Annie R. Chaffee.
S. 2378. Charles F. White.	S. 6891. Jeremiah C. Foley.
S. 3423. Warren W. Norton.	S. 7007. Joseph L. Addison.
S. 5742. Daniel Howerly.	S. 7068. Bernard Christianson.
S. 5840. William H. Hart.	S. 7169. Lee Jenkins.
S. 6029. William M. Miller.	S. 7180. Etta Adair Anderson.
S. 6131. Alpheus W. Clark.	S. 7251. Katharine H. McDonald.
S. 6141. Charles R. Conger.	S. 7324. John H. Hopewell.
S. 6242. Fred F. Harris.	S. 7489. William Bowen.
S. 6632. Benjamin Matlock.	S. 7497. Todd L. Wagoner.
S. 6673. John B. Turner.	S. 7629. Thomas H. Jones.

The SPEAKER. The Clerk will read the bill for amendment.

The Clerk read the bill, with the following committee amendments, which were severally read, considered, and agreed to:

Amend, page 2, line 17, by striking out "\$20" and inserting in lieu thereof "\$12."

Amend, page 2, by striking out lines 19, 20, and 21.

Amend, page 2, line 24, by striking out "\$17" and inserting in lieu thereof "\$12."

Amend, page 3, line 13, by striking out "\$12" and inserting in lieu thereof "\$17."

Amend, page 3, line 17, by striking out "\$20" and inserting in lieu thereof "\$17."

Mr. DIES rose.

The SPEAKER. For what purpose does the gentleman rise?

Mr. DIES. I would like to strike out the last word, Mr. Speaker.

The SPEAKER. The gentleman from Texas [Mr. DIES] moves to strike out the last word.

Mr. DIES. Mr. Speaker, this proposes to substitute "\$17" for "\$12."

The SPEAKER. It strikes out "\$20" and inserts "\$17." It saves the Government \$3 a month.

Mr. DIES. Then, Mr. Speaker, I withdraw my pro forma amendment. [Laughter.]

The SPEAKER. The pro forma amendment is withdrawn.

Mr. BRYAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD concerning the pension I mentioned a while ago.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The following committee amendment was read:

Page 3, strike out lines 20 and 21.

The amendment was agreed to.

The following committee amendment was read:

Page 4, strike out lines 7 to 14, inclusive.

The amendment was agreed to.

The Clerk read as follows:

The name of Thomas H. Jones, late of Company D, Third Regiment Tennessee Volunteer Infantry, War with Spain, and pay him a pension at the rate of \$20 per month.

With the following committee amendment:

Page 4, line 21, strike out "\$20" and insert "\$17."

[Mr. DIES addressed the House. See Appendix.]

The amendment was agreed to.

The Clerk read as follows:

The name of Annie R. Chaffee, widow of Adna R. Chaffee, late lieutenant general, United States Army, and pay her a pension at the rate of \$2,000 per annum.

With the following committee amendment:

Page 5, line 3, strike out "\$2,000 per annum" and insert in lieu thereof "\$50 per month."

Mr. STEPHENS of California. Mr. Speaker, Adna R. Chaffee was born near Warren, Ohio, April, 1842. In July, 1861, he enlisted as a private in the Sixth United States Regular Cavalry. He fought throughout the Civil War. For gallant and meritorious services he was brevetted time and again during the four years of that great struggle. By bravery, executive ability, good judgment, and strict attention to duty he earned promotion after promotion from private to first lieutenant before the

close of the Civil War, and from lieutenant of a company to lieutenant general of all our armies during his 40 years of active service after the war.

He led his troops in our Indian wars and in Cuba during the Spanish-American War. He was selected to command the American forces in the march of the allies on Peking, China, in 1900, and to command our Army in the Philippines afterwards. Following that he served at Chief of Staff at Washington until he was relieved for age in the spring of 1906.

Mr. Speaker, the following is the faithful, efficient, wonderful Army service record of Adna R. Chaffee: Private soldier in 1861; lieutenant general in 1904. It was thus recently given to the Senate of the United States by the Assistant Secretary of War:

Adna R. Chaffee enlisted in the Regular Army July 22, 1861, at Warren, Ohio, to serve three years, and was assigned as a private to Troop K, Sixth United States Cavalry; was appointed sergeant and first sergeant October 1, 1861, and September 26, 1862, respectively, and was discharged May 12, 1863, as first sergeant of that troop and regiment on account of promotion to second lieutenant. His service as a commissioned officer was as follows:

Second Lieutenant, Sixth United States Cavalry, May 12, 1863; first lieutenant February 22, 1865; regimental adjutant from November 11, 1864, to December 12, 1866; regimental quartermaster from December 12, 1866, to October 12, 1867, when promoted to captain; major, Ninth United States Cavalry, July 7, 1868; lieutenant colonel, Third United States Cavalry, June 1, 1897; brigadier general, United States Volunteers, May 4, 1898; major general, United States Volunteers, from July 8, 1898, to April 13, 1899; brigadier general, United States Volunteers, April 13, 1899; colonel, Eighth United States Cavalry, May 8, 1899; major general, United States Volunteers, July 19, 1900; major general, United States Army, February 4, 1901; lieutenant general, United States Army, January 9, 1904, and was retired as such February 1, 1906. He died November 1, 1914, at Los Angeles, Cal.

He was brevetted as follows: First Lieutenant, July 3, 1863, for gallant and meritorious services in the Battle of Gettysburg, Pa.; captain, March 31, 1865, for gallant and meritorious services in the Battle of Dinwiddie Court House, Va.; major, March 7, 1868, for gallant and efficient services in engagement with Comanche Indians at Point Creek, Tex.; and lieutenant colonel, February 27, 1890, for gallant service in leading a cavalry charge over rough and precipitous bluffs held by Indians on the Red River of Texas August 30, 1874, and gallant service in action against Indians at Big Dry Wash, Ariz., July 17, 1882.

Following is a detailed statement of this officer's service: Served with his regiment in the Army of the Potomac until wounded in the Gettysburg campaign at Fairfield, Pa., July 3, 1863; absent on account of wound to September, 1863; commanding troop to October 11, 1863, when wounded at the battle of Brandy Station, Va.; absent, sick, to November, 1863; with regiment in Army of the Potomac to August, 1864; in the Shenandoah Valley, Va., to February, 1865, and in the campaign against Richmond, Va., to May, 1865, during which period he participated in all the battles, engagements, etc., in which his regiment was engaged (about 50), from the siege of Yorktown, Va., April, 1862, to Appomattox Court House, Va., April, 1865; with regiment at Frederick, Md., June to October, 1865; en route to and at Austin, Tex. (also depot quartermaster at same place December, 1866, to February, 1868), to February, 1868; commanding troop at Fort Griffin, Tex., to September, 1868, being frequently in field on scout and engaged in action with hostile Indians at Point Creek, Tex., March 6, 1868; commanding troop at Sulphur Springs, Tex., September, 1868, to March, 1869; at Canton, Tex., to July 17, 1869; at Tyler, Tex., to January, 1870; at Corsicana, Tex., to May, 1870; at Fort Griffin, Tex., to September, 1870; at Fort Richardson, Tex., to March 20, 1871, being frequently in field on scout against Indians and engaged in action with them November 14, 1870; commanding troop on the march to and at Fort Riley, Kans., to January 28, 1872; at Oxford, Miss., also commanding post, to December 6, 1872; at Fort Harker, Kans., to April 2, 1873; at Fort Supply, Ind. T., to August 19, 1874; in the field on expedition in Indian Territory and Texas to March 23, 1875, being engaged in action against hostile Indians at Mulberry Creek, Tex., August 30, and near Washita River, Ind. T., October 17, 1874; commanding troop at Fort Supply, Ind. T., March 23 to April 29, 1875; at Fort Dodge, Kans., to August 2, 1875; on the march to and at Fort Verde, Ariz., to May 30, 1876; at Fort Grant, Ariz., to June 21, 1876, and at Fort McDowell, Ariz., to September 13, 1876; on recruiting service October 23, 1876, to October 1, 1878; rejoined his regiment November 12, 1878, and commanded his troop at Fort McDowell, Ariz., to July 1, 1879; in charge of the San Carlos Agency, Ariz., to May 31, 1880; commanding troop and post of Fort McDowell, Ariz., being frequently in field in active operations against hostile Indians, to September 11, 1882, being engaged in action with them at Big Dry Wash, Ariz., July 17, 1882, and was highly commended for services in the field in General Orders, No. 37, Department of Arizona, July 31, 1882; on leave September 11, 1882, to January 5, 1883; commanding troop at Fort McDowell, Ariz., to October 17, 1883, being absent in the field with Gen Crook in Arizona and New Mexico, operating against hostile Apache Indians March 24 to July 9, 1883; commanding troop and post of Fort Huachuca, Ariz., to June 5, 1884; at Fort Craig, N. Mex., to September 12, 1884; on leave to November 10, 1884; commanding troop at Fort Wingate, N. Mex. (in field and at Fort Cummings, N. Mex., May 22, 1885, to October 19, 1886); to August 8, 1888; joined his regiment (Ninth United States Cavalry) August 28, 1888, and commanded post at Fort Duchesne, Utah, on September 27, 1890; acting inspector general, Department of Arizona, October 6, 1890, to July 6, 1893, and of the Department of Colorado to October 4, 1894; on duty with regiment at Fort Robinson, Nebr. (in the field commanding expedition against Indians in Idaho and Wyoming July 28 to October 29, 1895), to November 7, 1896; on duty as instructor of cavalry at the Infantry and Cavalry School, Fort Leavenworth, Kans., November 27, 1896, to April 19, 1898, when he accompanied his regiment to Chickamauga, Ga., where he commanded a brigade to May 20, 1898, a division in the Fifth Army Corps at Tampa, Fla., to June 16, 1898, and in the campaign against Santiago and in Cuba to August 21, 1898.

He was highly commended by Gen. Lawton for especial distinction in successfully planning and attacking the stone fort at El Caney, Cuba, July 1, 1898. From August 21 to September 27, 1898, he commanded his division en route to and at Montauk Point, N. Y.; commanding First Division, Fourth Army Corps, November 1 to December 5, 1898, and

Fourth Army Corps to December 14, 1898; chief of staff to Maj. Gens. Brooke and Wood, of the headquarters division of Cuba, Habana, Cuba, December 29, 1898, to May 16, 1900.

He was highly commended by Gens. Brooke and Wood for services rendered in the latter position, the former stating that "the Army has no better example of efficiency" and the latter that "he has filled the position with ability and assiduity rarely seen among public men." He left Cuba May 25, 1900, en route to Washington, and thence to San Francisco, sailing from the latter place July 8 and arriving at Taku, China, July 29, 1900, when he assumed command of the China relief expedition, which he commanded to May 26, 1901, when he proceeded to the Philippines.

He was highly commended by the President and Secretary of War "for the brilliant achievement in which the courage, fortitude, and skill of the American forces under his command in China played so honorable a part."

He arrived at Manila, P. I., June 5, 1901, and after making a tour of inspection of the islands, on July 4, 1901, assumed command of the Division of the Philippines and duties of military governor, and was relieved October 2, 1902; in command of the Department of the East, Governors Island, N. Y., November 21, 1902, to October 26, 1903; member of the General Staff from October 26, 1903, to January 9, 1904, when he became Chief of Staff. He was relieved as Chief of Staff January 15, 1906.

In the case of this officer the medical records show as follows: Wounded, right hip, ball, severe, at Battle of Fairfield, Pa., July 3, 1863; treated, June 10 to 15, 1870, intermittent fever, tertian; August 8 to 12, 1870, intermittent fever; November 1 to 14, 1871, abscess; April 15 to 20, 1873, sprain; December 2 to 4, 1884, quotidian intermittent fever, in line of duty, cured; November 28 to 30, 1893, influenza, in line of duty; December 4 to 13, 1893, epidemic influenza, in line of duty; January 10 to 31, 1894, hemorrhoids; operation, January 10, 1894, removed by clamp and cautery, in line of duty; June 12 to July 3, 1895, sprain, right knee, thrown from horse while on review June 11, in line of duty; hot applications, first; plaster of Paris bandage put on June 13 and removed June 25; at night knee swells slightly after exercising during day, but no pain; returned to duty, cure not complete.

Mr. Speaker, for the last few years of his life Lieut. Gen. Adna R. Chaffee was a resident of the district I represent. Soon after retiring from the service he moved to Los Angeles, Cal., where I had the honor of his acquaintance and the pleasure of serving with him in many public places. For several years, and until a very short time before he died, Gen. Chaffee was chairman of the board of public works of the city of Los Angeles. This board had direct charge of the building of the great Los Angeles aqueduct, costing \$25,000,000, that is now bringing pure water sufficient to supply a city of 3,000,000 people from the snow-clad mountains 220 miles away.

We were glad to have Gen. Chaffee and his family come to us. We honored him, and ever shall, for his hand, his brain, and his time were always at the command of every good movement for the upbuilding of the city of Los Angeles.

Mr. Speaker, a pension is now sought for his widow. The Senate has expressed the opinion that \$2,000 per annum should be paid. The House Pension Committee, in accord with its rule, which I understand it has never violated, has reported in favor of \$50 per month. Mr. Speaker, I must oppose this reduction; \$600 per annum is not enough. This country has been most liberal in its pensions. Many of the widows of our war generals are paid from \$1,200 to \$2,000 per annum. Mrs. Annie R. Chaffee, Gen. Chaffee's widow is reported by the Senate committee to be without income. A part of a personally written and personally signed letter to me from Mrs. Chaffee reads as follows:

LOS ANGELES, CAL., December, 1914.

Hon. W. D. STEPHENS,
House of Representatives, Washington, D. C.

MY DEAR MR. STEPHENS:

I forgot to tell you that I have no present income; but I am not unhappy, for I have had the honor of being the wife of Gen. Chaffee, and I am a happy, grateful woman. I am,

Sincerely, yours,

ANNIE R. CHAFFEE.

Mr. Speaker, in conclusion I have to say that the military record of Adna R. Chaffee, who entered the Regular Army as a private in 1861, served through all his country's wars and after, and who, because he was at all times a good soldier, rose step by step to supreme command, is a record that will prove a wonderful incentive to every man in the ranks. As a soldier his service to his country was extraordinary, his bravery and ability unquestioned. As a citizen all Los Angeles pays him tribute. His life among us was devoted to the public good.

Gen. Adna R. Chaffee gave 45 years of his life to his country. The least we should do, now that he is gone, is to make his widow comfortable for the remaining years of her life. I am sure the Senate and House will provide well before this matter is closed.

Mr. Speaker, with permission, I submit the following:

STANTON POST, No. 55,
GRAND ARMY OF THE REPUBLIC,
Los Angeles, Cal., January 29, 1915.

The Hon. WILLIAM D. STEPHENS,
Washington, D. C.

DEAR SIR: Stanton Post, No. 55, Department of California and Nevada, Grand Army of the Republic, passed a resolution begging the

Senate and lower House to grant to the widow of the late Lieut. Gen. Adna R. Chaffee a suitable pension.

The original resolution has this day been forwarded to the Hon. J. D. WORKS, of the Senate, and we beg that you confer with him on the subject.

Very truly, yours,

C. F. DERBY,
Adjutant of Stanton Post, No. 55, Grand Army of the Republic.

Resolution.

LOS ANGELES CHAMBER OF COMMERCE,
Los Angeles, January 8, 1915.

Whereas Adna R. Chaffee, late lieutenant general of the Army of the United States and a resident of Los Angeles since his retirement from active duty in 1906, died in this city November 1, 1914, thus bringing to a close an honorable and distinguished career, devoted from early manhood to the service of his country as a soldier; and Whereas Gen. Chaffee, by reason of the exactions of the military profession and of his whole-hearted devotion to duty, was unable to provide a competency for himself and family, and, consequently, left practically no estate for the support of his widow, who, from the time of her marriage to him as a young lieutenant, shared his life in loyal and affectionate helpfulness and joined with him in giving their children to the Army: Therefore be it

Resolved, That the Chamber of Commerce of the city of Los Angeles does most urgently request and recommend that the Congress of the United States make prompt, adequate, and suitable provision, by grant of pension, for the maintenance of the widow of Gen. Chaffee in comfort during her life, and that the Senators and Representatives in Congress from this State be urged to exercise their best efforts to bring about the passage of an act for that purpose; that a copy of this resolution be forthwith transmitted to each of such Senators and Representatives. I hereby certify that the above is a true and correct copy of the resolution adopted by the board of directors of the Los Angeles Chamber of Commerce at the regular meeting held Wednesday, January 6, 1915.

LOUIS M. COLE, President.

The amendment was agreed to.

The bill as amended was ordered to a third reading, and was accordingly read the third time and passed.

On motion of Mr. KEY of Ohio, a motion to reconsider the last vote was laid on the table.

AGRICULTURAL APPROPRIATION BILL.

Mr. LEVER. Mr. Speaker, I present the Agricultural appropriation bill (H. R. 20415) with Senate amendments.

The Clerk began the reading of the report (H. Rept. 1470).

Mr. MANN. Mr. Speaker, the reading of the report of the committee is not in order.

The SPEAKER. Of course not. Has the gentleman any motion to make?

Mr. LEVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the Senate amendments to H. R. 20415, and pending that I ask unanimous consent that the House disagree to all Senate amendments except amendment 89, commonly known as the McCumber amendment.

Mr. HENRY. Mr. Speaker, reserving the right to object, I would like to ask the gentleman how much time for general debate he thinks we ought to have on amendment 89?

Mr. LEVER. May I inquire of the gentleman from Texas how much time he desires?

Mr. HENRY. It seems to me we ought to have at least three hours for general debate.

Mr. MANN. Mr. Speaker, will the gentleman yield for a question? In the consideration of Senate amendment 89 in the Committee of the Whole House on the state of the Union, of course it is thrown open to amendment. There may be any number of amendments offered to the Senate amendment, or there may be different substitutes offered in different ways.

Mr. HENRY. Yes.

Mr. MANN. Any part of it is subject to amendment?

Mr. HENRY. Yes.

Mr. MANN. Now, does the gentleman prefer to have a long general debate or more debate on the amendments which are offered in the committee?

Mr. HENRY. I really think it would shorten the time to have three hours of general debate, because the bills would all be better understood, and the debate under the five-minute rule would not be so long.

Mr. MANN. It does not make any difference to me. Of course I know what will happen if we have three hours' general debate on the bill. Everybody will leave the Chamber, and then when we come back we have got to discuss it over again under the five-minute rule, because it is a matter that is very difficult to vote upon without some understanding.

Mr. LEVER. Let me say to gentlemen who are interested in this proposition that after we have gotten into Committee of the Whole I shall be extremely liberal in permitting debate on this proposition.

Mr. MANN. If you are not, the committee will be.

Mr. LEVER. There will be no disposition on my part to shut off the debate. All I desire is to get to the Committee of the Whole.

Mr. HENRY. Let us try to agree on two hours' general debate. Can not we agree to two hours for general debate?

Mr. UNDERWOOD. Mr. Speaker, in the closing hours of Congress, with five or six general appropriation bills in conference which must be agreed to and the bills enrolled, it seems to me that if we want to consider the real merits of this question we do not want any general debate. The minute you announce general debate all but a few of the Members of the House will clear out.

Mr. HENRY. I think it would shorten the proceedings under the five-minute rule.

Mr. MANN. I think, Mr. Speaker, that two hours is not excessive.

Mr. UNDERWOOD. If gentlemen want to speak on the merits of the question, they want an audience; and they will not get it under general debate.

Mr. MANN. We can have a sort of an understanding, if debate runs along, that we will rise to dispose of conference reports.

Mr. UNDERWOOD. I think that is true; but I think it would be better to have a liberal debate under the five-minute rule.

Mr. MANN. I agree with the gentleman from Alabama; but if we have conference reports on appropriation bills we ought to dispose of them so that if appropriation bills are agreed upon they can be enrolled; they can not all be enrolled in the last 15 minutes.

Mr. UNDERWOOD. This bill will have to go to conference.

Mr. MANN. Yes; but if every other bill is out of the way we can sit all night, or any night, on this bill.

Mr. LEVER. Mr. Speaker, I ask unanimous consent that general debate on this proposition be limited to 1 hour and 30 minutes; 30 minutes to be controlled by myself and 1 hour by the gentleman from Texas [Mr. HENRY].

Mr. HULINGS. Mr. Speaker, reserving the right to object, I desire to say that I wish the opportunity to present a substitute for the Senate amendment.

The SPEAKER. The Chair will state to the gentleman that this is a matter for the Committee of the Whole.

Mr. LEVER. The gentleman will have his right in the Committee of the Whole.

Mr. HULINGS. But what I wish to say is I desire to have some allotment of time out of this hour and a half.

Mr. MANN. Let me say to the gentleman that we will have to have some time on this side of the House.

Mr. GARNER. Mr. Speaker, may I make a suggestion to the gentleman from South Carolina, that he ask unanimous consent to limit the debate to one hour and a half, the time to be controlled by the chairman of the Committee of the Whole, and nobody be recognized for more than 10 minutes.

Mr. BATHRICK. I will not agree to that.

Mr. HENRY. Mr. Speaker, I suggest that general debate be limited to 2 hours; 1 hour to be controlled by myself, 30 minutes by the gentleman from South Carolina [Mr. LEVER], and 30 minutes by some one on the other side.

Mr. HOWARD. I object to that.

Mr. MANN. Mr. Speaker, I think that this side of the House will be willing to take one-third of the 2 hours—40 minutes to the gentleman from Texas, 40 minutes to the gentleman from South Carolina, and 40 minutes to the gentleman from Iowa [Mr. HAUGEN].

Mr. KEATING. Mr. Speaker, I ask for the regular order.

The SPEAKER. The regular order is that the gentleman from South Carolina has made three requests and one motion. In the first place he asks unanimous consent that all the Senate amendments except Senate amendment 89 be disagreed to. Is there objection?

Mr. STAFFORD. Reserving the right to object, I want to direct the attention of the gentleman from South Carolina to Senate amendment 35, appropriating \$3,000,000 for forest reserves. I want to ask if we can not have a separate vote on that.

Mr. MANN. Mr. Speaker, I shall object to all unanimous requests.

Mr. UNDERWOOD. Mr. Speaker, I would like to ask the House, outside of this other question, to remember that there are some 90 amendments to this bill, and we want to pass the Agricultural appropriation bill. I realize the importance of the McCumber amendment, but the other amendments are amendments that can be disagreed to. Do not let us get into a filibuster in regard to it. I ask unanimous consent that all amendments except amendment 89 be disagreed to before we go into Committee of the Whole.

Mr. HENRY. I do not think there is any objection to that.

Mr. MANN. Mr. Speaker, I told the gentleman from Alabama that I would not object, but for another reason I shall have

to at this time, although I think we can dispose of them quickly in the committee.

Mr. BORLAND. Mr. Speaker, I ask unanimous consent—

Mr. MANN. I object.

Mr. BORLAND. Will the gentleman wait? He has not heard what the request is.

Mr. MANN. It makes no difference; I object.

Mr. BORLAND. I was going to ask to have the debate limited to the bill.

The SPEAKER. The question is on the motion of the gentleman from South Carolina to go into Committee of the Whole House on the state of the Union to consider Senate amendment 89.

Mr. GARNER. To go into Committee of the Whole to consider all the amendments. The gentleman from South Carolina made a motion to go into Committee of the Whole to consider Senate amendments, and then asked unanimous consent to disagree to all the amendments except Senate amendment 89, and that was objected to, and now the motion is to go into Committee of the Whole House on the state of the Union to consider all the Senate amendments, or you can not consider the bill.

Mr. MANN. That is correct.

The SPEAKER. That is true; all the Senate amendments are referred to the Committee of the Whole.

The question was taken, and the motion was agreed to.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union, with Mr. HAY in the chair.

Mr. LEVER. Mr. Chairman, I ask unanimous consent that all the Senate amendments, except Senate amendment No. 89, be reported back to the House with the recommendation that they be disagreed to.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all of the Senate amendments, except Senate amendment No. 89, be disagreed to and that the committee report them back to the House as disagreed to. Is there objection?

Mr. STAFFORD. Mr. Chairman, reserving the right to object, I would like to inquire of the chairman of the committee as to his attitude, without embarrassing him, in respect to Senate amendment No. 35, which provides for an appropriation of \$3,000,000 for the Appalachian Forest Reserve. If we can obtain a separate vote on that before final agreement is reached, in case the Senate does not recede from its amendment, I have no objection to the request of the gentleman.

Mr. MANN. Mr. Chairman, that can not be done in that way. The only way to do is to have a separate vote now. We can not make agreement at this stage of the proceedings in the Committee of the Whole for separate votes. It can be excepted from the request and we can have a separate vote now.

Mr. LEVER. Mr. Chairman, I was about to suggest to the gentleman from Wisconsin, without committing myself in advance as a conferee, that I realize very fully the condition of the Federal Treasury, and I will state that the agricultural appropriation bill as reported from the committee in the House was constructed upon the theory that we would not provide for any appropriations that would put new burdens upon the Treasury. The whole theory of myself and the committee was in the direction of holding down the appropriations in this bill; and that being true as to our attitude in the House, I take it the gentleman will draw a proper inference if he would say that it would be so with reference to our attitude in conference.

Mr. STAFFORD. Mr. Chairman, I assume the same may be said as to amendment 89, which provides for a half million dollar appropriation for building artificial lakes out in the deserts of Kansas.

Mr. LEVER. I have a strong notion that that will be true of that.

Mr. FALCONER. Mr. Chairman, I would like to ask the gentleman if he will not eliminate from his request Senate amendment 88, on denatured alcohol?

Mr. LEVER. Mr. Chairman, I will say to the gentleman from Washington that, as far as I am able to do it, under the stress of other circumstances, I am studying that proposition. I would much prefer to permit it to go to conference at this time, until we can get some further information respecting it. I promise the gentleman a very serious and earnest consideration of it in conference, as far as I am concerned.

Mr. STAFFORD. Mr. Chairman, reserving the right to object, has the gentleman any objection to having a rising vote in the committee on amendment 35, the \$3,000,000 Appalachian project, and amendment 87, with only a very limited debate, in

order to show the attitude of the House, to strengthen, perhaps, the position of its conferees?

Mr. LEVER. Mr. Chairman, if my friend from Wisconsin would permit, I would very much prefer to go to conference untrammelled.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none, and it is so ordered.

Mr. LEVER. Mr. Chairman, I ask the Clerk to report Senate amendment 89.

The Clerk proceeded to read Senate amendment No. 89.

Mr. MANN. Mr. Chairman, I suggest to the gentleman that there probably will be no objection if he asks unanimous consent to dispense with the first reading of the amendment.

Mr. LEVER. Mr. Chairman, I ask unanimous consent to dispense with the first reading of the amendment.

The CHAIRMAN. Is there objection?

Mr. FERRIS. Mr. Chairman, reserving the right to object, which I do not intend to do, I ask unanimous consent that both the McCumber amendment and the so-called Hollis amendment be printed in the RECORD at this stage, one following the other.

Mr. MANN. Of course this amendment will be printed, but the other amendment will not be printed until it is offered.

Mr. FERRIS. Why not let the two be printed at this time?

The CHAIRMAN. The Chair will state to the gentleman from Oklahoma that two requests for unanimous consent can not be pending at the same time.

Mr. HENRY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. HENRY. If we dispense with the first reading of the amendment—

Mr. BUCHANAN of Illinois. Mr. Chairman, I demand the regular order.

Mr. NORTON. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from Illinois objects and the gentleman from North Dakota objects.

The Clerk will report the Senate amendment numbered 89.

The Clerk read as follows:

Page 83, after line 23, insert the following:

"That there is hereby created in the Treasury Department a bureau to be known as the Bureau of Farm Credits. Said bureau shall be presided over by an officer who shall be designated Commissioner of Farm Credits. The Secretary of the Treasury shall provide for sufficient clerical force to perform the duties of said bureau.

"That there is hereby appropriated and set aside for the use of said bureau, in the manner hereinafter provided, the sum of \$10,000,000, or so much thereof as may be necessary.

"That the said sum so provided shall be used for the purpose of purchasing notes secured by first mortgages on agricultural lands, as hereinafter provided, for stationery and clerical expenses, and such other expenses as may be incident to the business of said bureau.

"That every national bank and every State bank desiring to avail itself of the privileges herein provided are hereby created and declared to be agencies of the Treasury Department for the purpose of receiving from mortgagor notes and mortgages securing same, advancing the moneys to the said mortgagors and transmitting said notes and mortgages to the Bureau of Farm Credits, and receiving in return therefor the amount advanced to the mortgagor by the said bureau.

"That it shall be the duty of the Secretary of the Treasury to apportion the sum hereby appropriated among the several States according to the agricultural population, importance of the agricultural productions of each State, and percentage of agricultural lands incumbered by mortgages or trust deeds, and to pay for such notes and mortgages as may be presented to the extent of the amount apportioned to any State.

"That any owner of agricultural lands within the United States, who is living upon and farming such lands, desiring a loan under the provisions of this act, shall execute a promissory note due in 10 years, bearing interest at the rate of 5 per cent per annum, interest payable annually, which interest shall be evidenced by 10 coupon notes attached to said principal note, and which coupons shall also bear interest at the rate of 5 per cent per annum from the date of maturity until paid, payable annually. Said note shall also provide that the principal may be paid on any interest-paying day after the expiration of five years. Said note shall be secured by a first mortgage upon the lands so farmed by the owner, and executed and recorded in the manner provided by the laws of the State in which the land is situated, for the execution and recording of mortgages on real estate. Such mortgage shall be accompanied by an application for loan, which application shall recite the purpose for which the loan is desired, the market value of the land, the value at which it was last assessed for taxation, the value and kind of buildings thereon, the number of acres under cultivation, the character and quality of the soil, the number of acres capable of being cultivated, and such other information as may be required by the rules of the said said bureau. Said application shall have attached thereto or made as a part thereof an affidavit signed by the owner and at least two neighbors who are thoroughly acquainted with land values in the vicinity, stating the market value of such lands and the market value of the particular lands to be mortgaged. Said note, mortgage, and application shall also be accompanied by an abstract of title duly certified by an abstract company, the register of deeds, or other officer authorized by the laws of the State to make and certify abstracts of lands, which abstract shall show no other mortgages, judgments, delinquent taxes, or other liens of any character against the said lands, unless the purpose of the loan is to secure money to cancel such liens. Said owner shall then present to any national bank or State bank accepting the provisions of this act the

said loan papers. The said abstract and papers shall be carefully examined by the president, cashier, or other officer of the bank for the purpose of ascertaining whether the title is perfect in the mortgagor, whether the land is affected by any liens, who shall certify the result of his examination of the abstract, and who shall further certify what in his opinion and judgment is the actual cash selling price of the land. And no mortgage shall be accepted for a greater amount than one-half of the value of such lands, including improvements; nor in any event to an amount exceeding one-half of the actual market value thereof. The said bank may charge the borrower for its services in examining papers and abstract and in forwarding the papers to the Bureau of Farm Credits a sum not exceeding 1 per cent of the amount of the mortgage. No mortgage shall be less than \$300 nor more than \$10,000 to one person or company, and shall be in multiples of \$100. The said notes and mortgages shall not be dated at the time they are executed and presented to the bank. The said bank shall forward all the said papers to the said Bureau of Farm Credits, which bureau shall examine the abstract, note, mortgage, and application, and if said abstract shows the land to be clear or to have no liens of greater amount than the amount desired to be loaned, and all papers properly executed, it shall remit to the bank forwarding the papers the amount of the loan, and shall date the notes and mortgage the date on which the remittance is made, from which date interest shall begin to accrue; and all coupons shall be dated to correspond with the date affixed to the principal instrument; and said bureau shall return, with the remittance, the abstract of title. Upon receipt of the said abstract of title by the bank, said bank shall require the abstract to be continued up to date of payment by said bank to the borrower, and if said abstract after being continued shows the land clear, the bank shall indorse over to the borrower the remittance made by the Bureau of Farm Credits. If there are any liens upon the land, the bank, out of the balance to the borrower, shall first pay and have canceled such liens and pay the balance to the borrower. The bank shall be held responsible for any negligence in the performance of its duties as agent of said bureau. The principal and all interest coupons shall be payable at the bank where and through which the loan is negotiated and remitted by said bank to said bureau.

"That whenever the Bureau of Farm Credits shall have received such mortgages to the extent of \$1,000,000, it shall issue bonds in the name of the United States, payable in 20 years and bearing 4½ per cent interest, payable annually, with the privilege and option of the said bureau to pay the principal at the expiration of 10 years. Said bonds shall be issued in denominations from \$100 to \$500 each, and the said Commissioner of Farm Credits shall sell the said bonds for the face value thereof to any persons applying therefor, preference being given to those desiring small investments. Said bonds shall not be subject to taxation by the United States, a State, or municipality. All moneys received by the said commissioner in the sale of bonds and the principal and all interest paid on said mortgages shall be covered into the said fund of \$10,000,000 and used in the payment of mortgages as they may be presented, the expenses of the bureau, the interest on bonds, and payment thereof at maturity.

"That all mortgages shall run to the Commissioner of Farm Credits, and said commissioner shall have all the rights and authority of a mortgagee under the laws of the State wherein such mortgage is executed.

"That all taxes of every kind levied by a State or municipality which may become a lien prior to said mortgage shall be paid by the mortgagor at least 30 days prior to the time such lands could be sold for delinquent taxes. Upon his failure to do so, or to pay any other lien that may attach to said lands and become superior to said mortgage, the commissioner may pay the same and the mortgage shall stand as security for such sums so paid and interest thereon at 8 per cent per annum. And said mortgage shall further provide that in default of the payment of any interest or the payment of taxes, or other superior liens, as aforesaid, the commissioner may foreclose the premises pursuant to the laws of the State in which the land is situated. All papers necessary for the foreclosure proceedings shall be prepared and premises foreclosed by the proper law officer of the bureau. In lieu of foreclosure the commissioner may sell the mortgage to any person desiring to purchase the same, without recourse, and the money so received shall be covered into the said fund. Upon foreclosure, the said commissioner may transfer and assign the certificate of sale to any purchaser, and after the period of redemption has expired, may sell the lands. And any sum received therefor shall in like manner be covered into said fund.

"That it is the purpose of this act not only to secure and facilitate borrowing upon agricultural lands at a reasonable rate of interest, but also to afford a means for those who desire a safe investment, and so long as the said bureau shall be able to dispose of bonds at par it shall accept mortgages presented to any extent above the \$10,000,000 hereby appropriated.

"That said bonds shall be negotiable in form, and transferable by indorsement, and may be bought and sold by Federal reserve banks under the provisions of sections 13 and 14 of the Federal reserve act, approved December 23, 1913, and may also be received as collateral for the issue of Federal reserve notes under the provisions of section 16 of said act.

"That the word 'mortgage' shall be construed to include deeds of trust or any other instruments of security on agricultural lands.

"That the Secretary of the Treasury shall make all needful rules and regulations to carry out the provisions of this act.

"That this act shall take effect from and after its passage and approval."

Mr. LEVY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LEVY. Is it proper now to offer a substitute for that amendment?

The CHAIRMAN. It is not.

Mr. LEVER. Mr. Chairman, the Committee on Agriculture has been in session to-day from 9.30 o'clock until 1 o'clock considering the various rural-credit bills that have been offered in this Congress, the numbers of which and the authors of which I desire to print in the RECORD at this time, and I ask unanimous consent to extend my remarks in the RECORD to that extent.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent to extend his remarks in the RECORD in the manner stated. Is there objection?

There was no objection.

The list referred to is as follows:

RURAL-CREDIT BILLS.

MESSRS. SMITH of Maryland, BATHRICK, AIKEN, TAYLOR of Colorado, HAMMOND, HULINGS, THOMPSON of Oklahoma, DOOLITTLE, MOSS of Indiana, HOWARD, BULKLEY (also for commission), KEATING, HENRY, KELLY of Pennsylvania, MCKELLAR, CARAWAY, TRIBBLE, BARTON, MORGAN of Oklahoma, and HELGESEN (also for commission).

Mr. LEVER. Mr. Chairman, when we have gotten into the discussion of this bill under the five-minute rule, I desire to say to Members that I shall offer, as directed by the Committee on Agriculture, what is known as the Hollis bill, as a substitute for the amendment numbered 89, the Hollis bill having been reported unanimously by the Committee on Banking and Currency of the Senate on Saturday.

Mr. BULKLEY. Mr. Chairman, will the gentleman yield?

Mr. LEVER. Yes.

Mr. BULKLEY. Is it exactly the same as was reported by the Senate Committee?

Mr. LEVER. It is exactly the same, to the dotting of an "i" or the crossing of a "t." Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and Mr. GARRETT of Tennessee having assumed the chair as Speaker pro tempore, Mr. HAY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 20415, the Agricultural appropriation bill, with Senate amendments thereto, and had come to no resolution thereon.

Mr. LEVER. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 20415, with Senate amendments thereto; and pending that, Mr. Speaker, I ask unanimous consent that general debate on Senate amendment numbered 89 be limited to two hours.

Mr. EDWARDS. That includes all amendments?

Mr. LEVER. All other amendments have been disposed of; and that one-third of that time be controlled by the gentleman from Texas [Mr. HENRY], one-third by the gentleman from Iowa [Mr. HAUGEN], and one-third by myself.

Mr. HOWARD. Mr. Speaker, I object.

Mr. LEVER. Mr. Speaker, I move that general debate on Senate amendment numbered 89 be limited to 1 hour and 30 minutes.

The SPEAKER pro tempore. The gentleman from South Carolina moves that general debate on Senate amendment No. 89 to the Agricultural appropriation bill be limited to 1 hour and 30 minutes.

Mr. BORLAND. Will the gentleman yield?

Mr. GARDNER. Mr. Speaker, I have an amendment. I was demanding recognition to offer an amendment in regard to debate.

The SPEAKER pro tempore. The gentleman from Massachusetts.

Mr. GARDNER. I offer an amendment that debate be closed in three hours.

The SPEAKER pro tempore. The gentleman from Massachusetts offers an amendment.

Mr. HOWARD. Mr. Speaker, I understand this question is debatable. The previous question has not been ordered—

Mr. LEVER. Mr. Speaker, I was recognized—

Mr. HOWARD. The Chair has recognized me.

Mr. LEVER. Mr. Speaker, I move the previous question.

Mr. HOWARD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. HOWARD. After the Chair recognized me, I asked whether this question was debatable or not, to be certain of my rights, and the Chair recognized me. Can the gentleman from South Carolina now under any guise of procedure take me off my feet?

The SPEAKER pro tempore. The Chair recognized the gentleman for a parliamentary inquiry, as he understood.

Mr. HOWARD. Well, sir, I addressed the Chair for the purpose of securing an extension of time for debate. The previous question has not been ordered. The Chair recognized me, and I think I am within my rights when I desired to increase the length of time on this important question.

The SPEAKER pro tempore. The Chair thinks the gentleman from South Carolina is entitled to recognition to move the previous question.

Mr. HOWARD. But, Mr. Speaker, I respectfully submit that the gentleman from South Carolina had not been recognized.

I was recognized by the Chair and the Chair could not take the gentleman from South Carolina off his feet and recognize me when I was not within the scope of my rights under the parliamentary procedure of this House.

Mr. UNDERWOOD. Will the gentleman yield to me for a moment?

Mr. HOWARD. I will yield to the gentleman from Alabama for the purpose of asking me a question, but I do not yield the floor.

Mr. UNDERWOOD. I think we have taken up the time of the House and I want to ask unanimous consent that all debate close in two hours; that is what the gentleman wants.

Mr. HOWARD. Mr. Speaker, the reason I am taking this course—and I want to be perfectly frank about it—I do not propose, unless I can secure some time to present the views that I have about this question, a question involving the most important piece of legislation that has been presented to this House for 50 years, to be run away with by a crowd of people who have only their personal ambition at heart. [Applause.]

Mr. LEVER. Mr. Speaker, I move the previous question on my motion.

The SPEAKER pro tempore. The gentleman from Massachusetts had offered an amendment.

Mr. HOWARD. Mr. Speaker—

Mr. LEVER. Mr. Speaker, I think the Speaker recognized me to move the previous question on my own motion and all amendments thereto.

Mr. HOWARD. Mr. Speaker, I desire to offer an amendment. I have not yielded the floor. I want to offer an amendment to the amendment of the gentleman from Massachusetts.

Mr. LEVER. The gentleman from Georgia does not have the floor in my time.

Mr. HOWARD. Mr. Speaker, I do not understand that we are in the House as in the Committee of the Whole House on the state of the Union—

The SPEAKER pro tempore. The Chair has recognized the gentleman from South Carolina—

Mr. HOWARD. I had it all the time.

The SPEAKER pro tempore. The Chair recognized the gentleman from South Carolina to move the previous question.

Mr. HOWARD. I want to offer an amendment.

Mr. GARDNER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. GARDNER. Is not this the situation? The gentleman from South Carolina moved to close debate in an hour and a half. I offered an amendment to make that a longer time. If there is to be recognition for debate I am entitled to recognition for debate. The gentleman from South Carolina at any time has the right to interpose a motion for the previous question. On the other hand, the gentleman from Georgia has a right to interpose an amendment to my amendment, but the motion for the previous question under the rules has preference over a motion to amend. After my motion has been entertained by the Chair it can not be cut out and another motion offered. Therefore I submit that the regular order is the motion of the gentleman from South Carolina to close debate on his motion with my motion pending as an amendment.

The SPEAKER pro tempore. That is true, as has been so clearly expressed by the gentleman from Massachusetts.

Mr. LEVER. Mr. Speaker, I think the troubled waters have been smoothed on this side, and I ask unanimous consent to withdraw my previous motion by asking unanimous consent that general debate on this proposition be limited to two hours, one-third of that time to be controlled by the gentleman from Texas [Mr. HENRY], one-third by the gentleman from Iowa [Mr. HAUGEN], and one-third by myself, out of which I will yield 10 minutes to the gentleman from Georgia.

Mr. HOWARD. Mr. Speaker, reserving the right to object, I want 15 minutes.

Mr. HENRY. I will give you 5 of mine.

Mr. HOWARD. All right. I withdraw my amendment.

The SPEAKER. The gentleman from South Carolina [Mr. LEVER], withdrawing his motion to limit debate, asks unanimous consent—

Mr. GARDNER. Mr. Speaker, I withdraw my motion.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that the general debate on amendment No. 89 to the Agricultural appropriation bill shall be limited to 2 hours, one-third of the time to be controlled by the gentleman from South Carolina [Mr. LEVER], one-third by the gentleman from Texas [Mr. HENRY], and one-third by the gentleman from Iowa [Mr. HAUGEN], the gentleman from South Carolina to yield 10 minutes out of his time to the gentleman from Georgia. Is there objection?

Mr. WINGO. I object, and demand the regular order.

Mr. RAGSDALE. Mr. Speaker, reserving the right to object—

The SPEAKER pro tempore. The gentleman from Arkansas objects and demands the regular order. The gentleman from South Carolina [Mr. LEVER] is recognized.

Mr. LEVER. Mr. Speaker, I move that general debate on Senate amendment No. 89 be limited to two hours, and on that I move the previous question.

The SPEAKER. The gentleman from South Carolina moves that the general debate on Senate amendment No. 89 be limited to two hours, and on that he moves the previous question. The question is on ordering the previous question.

The question was taken, and the Speaker pro tempore announced that the ayes seemed to have it.

Mr. WINGO. Division, Mr. Speaker.

The House divided, and there were—ayes 140, noes 5.

Mr. WINGO. Mr. Speaker, I make the point of no quorum.

The SPEAKER pro tempore. The gentleman from Arkansas makes a point of no quorum. The Chair will count. [After counting.] Two hundred and sixteen Members are present—a quorum.

Upon this vote the ayes are 140 and the noes are 5, and the previous question is ordered.

The question is on limiting the debate to two hours.

The question was taken, and the Speaker pro tempore announced that the ayes seemed to have it.

Mr. WINGO. Division, Mr. Speaker.

The house again divided, and there were—ayes 145, noes 17.

Mr. WINGO. Mr. Speaker, I make the point of no quorum.

Mr. HAY. Mr. Speaker, I make the point of order that that motion is dilatory. The Chair has just counted a quorum.

The SPEAKER pro tempore. There has been a vote since that time.

The WINGO. There are only 181 Members actually in the Hall.

The SPEAKER pro tempore. The Chair will count. [After counting.] Two hundred and eighteen gentlemen are present—a quorum. The ayes have it.

The question is on the House resolving itself into the Committee of the Whole House on the state of the Union for the further consideration of the measure.

The question was taken, and the Speaker pro tempore announced that the ayes seemed to have it.

Mr. WINGO. Division, Mr. Speaker.

The House divided; and there were—ayes 176, noes 4.

Mr. WINGO. Mr. Speaker, I make the point of no quorum.

Mr. HAY. Mr. Speaker, I make the point that that is dilatory.

Mr. RUBEY. Mr. Speaker, I make the point that it is dilatory.

Mr. WINGO. A great many Members have left the Hall. There is not a quorum in the Hall and there has not been today. There are some strange faces here that I have never seen before, but there is no quorum of Members present.

The SPEAKER pro tempore. The gentleman from Arkansas makes the point of no quorum. The Chair will count. [After counting.] Two hundred and fourteen gentlemen are present—a quorum.

So the motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of Senate amendment No. 89 to the Agricultural appropriation bill, with Mr. HAY in the chair.

The CHAIRMAN. The House is in the Committee of the Whole House on the state of the Union for the consideration of Senate amendment No. 89 to the Agricultural appropriation bill. The gentleman from South Carolina [Mr. LEVER] is recognized for one hour.

Mr. LEVER. I yield one-half minute to the gentleman from Alabama [Mr. UNDERWOOD].

Mr. UNDERWOOD. Mr. Chairman, I simply desire to occupy this time to say to the House that we expect to pass this bill and send it to conference before we adjourn to-night. It is necessary to have a quorum to do so, and I hope the Members will make arrangements to remain here, no matter how late it may be, to attend to this business. [Applause.]

Mr. LEVER. Mr. Speaker, I yield 30 minutes to the gentleman from Texas [Mr. HENRY] and reserve the balance of my time.

The CHAIRMAN. The gentleman from Texas [Mr. HENRY] is recognized for 30 minutes.

Mr. HENRY. Will the gentleman from Iowa [Mr. HAUGEN] yield to me 15 minutes?

Mr. HAUGEN. I have not been recognized by the Chair as yet.

Mr. HENRY. Mr. Chairman, I yield five minutes to the gentleman from Arkansas [Mr. CARAWAY].

Mr. CARAWAY. Mr. Chairman, in the time that has been allotted to me I wish to have offered as a substitute the bill that I introduced in this House on the 12th day of January and have it pending during the discussion, and to be voted upon at the proper time. I wish to offer it now.

The CHAIRMAN. The gentleman from Arkansas offers an amendment for the information of the House, and the Clerk will read it in the gentleman's time.

Mr. CARAWAY. If I have it read, Mr. Chairman, will it be in my time?

The CHAIRMAN. Yes, sir.

Mr. CARAWAY. Then I will just have it pending and not have it read, because I have not the time.

In the few minutes that I have I shall call attention to the parliamentary situation now confronting Members of this House. The Senate adopted an amendment to the Agricultural appropriation bill known as Senate amendment No. 89, or the McCumber amendment. This embodies a principle for which I stand—that is, Government aid for rural credits. I do not believe anyone seriously contends that the amendment is workable in its present form. The Committee on Agriculture has brought out a bill as a substitute therefor, which is the bill S. 5542, as amended and reintroduced in the Senate on the 27th day of this month as reported out of the Committee on Banking and Currency.

I do not know how many of you have read this bill. If you strike two provisions out of it, there is nothing remaining in it. Strike out of that bill the provisions for collecting money from the farmers and the provisions whereby the company which collects the money can be put into bankruptcy when it has spent the money, you have nothing else left. It provides for getting the farmers money. It provides for putting the company into bankruptcy when the money has been absorbed by some process, and that is the only thing it does. That is all the farmer will get out of it. It does say that if the farmers can get any money they may loan it back to themselves at a rate of interest not higher than the legal rate in the State wherein they may reside. In other words, it says you have all the rights you ever had to loan yourself money if you can get it, provided you do not violate the usury laws of the State in which you live. But, bless your heart, it does not even provide a penalty if you loan it at a rate higher than the legal rate in your State. It just says that you ought not to do it.

Mr. THOMPSON of Oklahoma. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Arkansas yield to the gentleman from Oklahoma?

Mr. CARAWAY. Yes.

Mr. THOMPSON of Oklahoma. Does it not thereby repeal all the usury laws of the several States under this system?

Mr. CARAWAY. It can not repeal the usury laws of the States, as I understand it, but it makes inoperative the usury laws of the States as applied to a loan under this bill. This bill means this, gentlemen—it does not mean anything else; do not let us disguise the issue—it simply means that if farmers residing in a community have money to loan to each other they may do so, providing they pay the overhead charges incident to the loaning and collecting of the money from themselves and paying for the abstracts of title.

There is no use in pretending that we do not understand this. It means, gentlemen, that you say to us who have worked and hoped for relief, "Adopt this measure or you get nothing," and to adopt it means less than nothing.

I hope a bill introduced by me on this subject, and which I shall offer here as an amendment, may prevail. If it does not, I shall vote for the Senate amendment 89, known as the McCumber amendment. If we concur in that amendment, the conferees can not lay their hands on it, and we get a beginning. We have pledged this Government to aid a farm credit system. Another Congress can perfect it. It would not dare repeal it. Therefore I shall, if my amendment does not succeed, support the McCumber amendment. I shall do this because I want to serve my people more than I desire to be partisan. All who want to aid the farmer must forget the origin of the amendment and support the system. I am willing to do so.

It is asserted here that if any bill passes committing the Government to aid the farmers, it will not meet the President's approval and that we will be convened in extraordinary session to pass this appropriation bill. This may be true. It will not swerve me in my course in this vote I shall cast to-day. I shall serve my people first and let the results to follow be faced hereafter.

The CHAIRMAN. The time of the gentleman from Arkansas has expired.

Mr. CARAWAY. I ask unanimous consent, Mr. Chairman, to revise and extend my remarks.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to revise and extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Washington [Mr. HUMPHREY].

Mr. HUMPHREY of Washington. I ask unanimous consent, Mr. Chairman, to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from Washington asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. BURKE].

The CHAIRMAN. The gentleman from Pennsylvania [Mr. BURKE] is recognized.

Mr. BURKE of Pennsylvania. Mr. Chairman, at the close of 10 years of public service as a lawmaker, the most consoling thought that lights my way to-day is that in private life and the future pursuit of my profession as a lawyer I shall always derive inspiration from the many experiences by which my mind and heart have been enriched in the American Congress.

No man with a proper conception of the purposes of laws, the functions of government, and the duties of public officers can serve here without increasing his respect for the views of others and fortifying his faith in our institutions.

Whether the study of books or the constant association with the master minds in the public life of a nation yield the greatest intellectual pleasure and profit may be a question, but the combination of both should render any man happy, and to acknowledge that happiness I have taken the floor to-day.

I have witnessed scenes and heard appeals here as thrilling, eloquent, and impressive as ever marked the proceedings of a legislative body.

Probably the most dramatic scene during that period was the challenge of Speaker Cannon, then in his thirty-fourth year of service in the House and seventy-fifth year of life, to depose him as Speaker, and quite as dramatically the House voted to continue him in office.

The only speech in ten years completely to sway the House from one side of a proposition to the other was delivered shortly after midnight by William G. Brantley, of Georgia, on the purposes of law, the dignity of courts, and the privileges of the House. [Applause.] The most powerful peroration was that of Speaker CLARK, when he closed the debate on the Panama Canal tolls repeal and flung defiance in the face of the President. [Applause.] The readiest all-around debater was JOHN SHARP WILLIAMS; the keenest humorist, Adam Bede; and the hardest worker, JAMES R. MANN. [Applause.] The prince of presiding officers for speeding legislation was James S. Sherman. [Applause.] The most pungent debater was Charles E. Littlefield, of Maine; the most ornate was Bourke Cockran; and the most classic in his sarcasm was Judge De Armond, of Missouri. [Applause.] The most placid was OSCAR UNDERWOOD, and the most courtly was Gen. Harry Bingham, father of the House.

The greatest mistake made in my time was enlarging the House membership. This did much to impair its efficiency and destroy its decorum.

The greatest evil that confronts the Congress to-day is the increasing centralization of power in the executive and the tendency of the legislative branch to yield to presidential dictation. [Applause.]

At home and abroad our position is interesting in the extreme. Every great agency of American development has been put in harness. The railroads are in the hands of the Interstate Commerce Commission. The banks are in the hands of the Federal Reserve Board. Business is in the hands of the Federal Trade Commission. What is to be the result of it all?

Certainly the country need halt no longer for want of safeguards. Let us henceforth stifle the spirit of criticism and cheer the Nation and its struggling millions on their way to prosperity.

While I retire voluntarily from public life, my regret at parting with the many pleasant associations here is as profound and sincere as ever accompanied any man from this Chamber.

For the manifold courtesies accorded me by members of all parties and for the chain of friendships which link me with every section of this Republic, I now acknowledge my debt of gratitude. To me it is all a priceless heritage.

Unless one intends to devote his entire life to the public service, ten years is an ideal period to serve in the lawmaking

branch of the National Government. Four years are essential for apprenticeship, leaving the remaining years for temperate and judicious service in the solution of important public questions. Such service makes one a better man, a better citizen, a better lawyer, and a more sincere and thoughtful patriot than any other experience in life.

In the enactment and interpretation of laws the last decade has been the most important since the adoption of the Constitution. Storms have raged, passions have run high, and occasional errors have marked the way, but out of it all we emerge a stronger, fairer, and better people. The follies of doctrinaires and the shallow pretenses of demagogues ultimately will be discarded by the people, while the laws and the institutions which are born in the minds of temperate and thoughtful men will remain. [Applause.]

OUR PLACE AMONG THE NATIONS.

A few years ago I represented this Nation in the peace conference in the city of Brussels. I stood upon the mound at Waterloo where Wellington and his allied forces lowered the colors of France. Belgium was then the most beautiful and most blessed country in Europe. A few days later I looked down upon that wonderful sarcophagus of Egyptian marble in which rested the ashes of Napoleon on the banks of the Seine, and I saw France around me in all her glory.

To-day Belgium presents the most pathetic picture in history. To-day France is a stricken nation. And as the hand of time marks the close of a century the people who as foes filled the trenches of Waterloo with their dead are fighting side by side as friends in the trenches of Europe to-day. On the other hand, those who were allies at Waterloo are to-day the objects of each other's fire and sword.

Strange, indeed, are the mutations of time and fleeting the friendships of nations!

In the presence of it all how seemingly like an inspiration is the counsel of Washington that we remain aloof from foreign alliances. May we never depart from that policy.

OUR FUTURE.

America is about to face the greatest opportunity ever presented to any nation in the world's history to strengthen and expand her commercial position at home and abroad, and to aid in bringing peace where guns now shatter cities, devastate fields, and mangle millions of God's children.

Anger and hatred feed the flames of war that were lighted by the follies of men. And, as I witness the awful consequences, my foremost thought and prayer is that our Executive and you whom I leave on guard will steer us clear of the shoals, and that the day will soon dawn

When the war drums throb no longer
And the battle flags are furled
In the parliament of man,
The federation of the world.

[Applause.]

With the permission of the House I shall add a brief correspondence with a committee of our leading citizens in which my gratitude to the people of my district was expressed:

APPEAL OF CITIZENS' COMMITTEE AND ANSWER OF MR. BURKE.

PITTSBURGH, March 28, 1914.

HON. JAMES FRANCIS BURKE,
House of Representatives, Washington, D. C.

DEAR MR. BURKE: As the time is approaching for the primaries for the election of a Member of Congress from the thirty-first district, it has been rumored that you have decided not to come before the people as a candidate.

We sincerely hope that the rumor is unfounded and that you will continue to serve the people of this district as its Representative in the American Congress as you have done so faithfully and efficiently for the past 10 years. Your services at Washington in this capacity have reflected credit upon yourself, honored the community and the American Congress, and been of great benefit to our whole country.

We realize, however, that you may decide not to be a candidate. If such action should be contemplated, of course, we would naturally be interested in the selection of a worthy successor to take up this important work. Before any suggestions may be made for a candidate we would appreciate it if you will advise us as early as possible whether you have determined not to be a candidate.

Yours, very truly,

F. R. Babcock, John H. Jones, William M. Furey, William J. Diehl, R. B. Mellon, Pennock Hart, H. G. Dravo, William J. Black, William H. Stevenson, W. S. Brown, E. J. Taylor, James F. Keenan, F. F. Nicola, S. F. Heckert, S. E. Gill, George W. Theiss, F. M. Wilmot, R. B. Caldwell, John C. Bole, James L. Foster, C. Phillips Hill, Charles J. Graham.

MR. BURKE'S REPLY.

TO THE CITIZENS' COMMITTEE.

GENTLEMEN: The generous expressions contained in your recent letter, and others of a similar nature recently received from many other sources, ordinarily might tempt me to reverse my decision to retire from Congress and devote my energies entirely to my profession. My decision, however, is irrevocable.

No city in America has a more vital interest in our National Government and the manner in which its laws are made and administered than the city of Pittsburgh.

My public service has necessarily involved unceasing labor and much personal sacrifice. The last 10 years of governmental history in this country have been years of storm and strife. The longest sessions of Congress in the Nation's annals have been held. The study and the solution of public problems have imposed unprecedented burdens upon every Representative who sought intelligently and diligently to serve his constituency and his country.

Through it all I have endeavored to reflect credit upon my State and to perform my duty in a manner that will stand the test and command the sanction of history.

With a heart full of gratitude for the honors so repeatedly bestowed upon me by the people of Pittsburgh, and with a memory crowded with recollections of countless courtesies from my colleagues in Congress and from all with whom my public duties have brought me into pleasant contact for so many years, I reluctantly conclude this chapter of my public service.

If my future years in the practice of the law are half as pleasant as those I have spent in making laws, I shall continue to be a very happy man, with many friends to bless and no enemies to bury.

Very sincerely, yours,

JAMES FRANCIS BURKE.

PITTSBURGH, March 30, 1914.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. GARDNER].

Mr. GARDNER. Mr. Chairman, the Sixty-third Congress is just coming to a close. I ask unanimous consent to extend my remarks in the RECORD. [Applause.]

The CHAIRMAN. The gentleman from Massachusetts asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. WALTERS].

Mr. WALTERS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Ohio [Mr. FESS].

Mr. FESS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. KINKAID].

Mr. KINKAID. Mr. Chairman, I make the same request.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Kentucky [Mr. POWERS].

Mr. POWERS. Mr. Chairman, I ask the same privilege.

The CHAIRMAN. The gentleman from Kentucky [Mr. POWERS] asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. HAUGEN. I yield to the gentleman from Pennsylvania [Mr. GRIEST].

Mr. GRIEST. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the gentleman's request?

There was no objection.

Mr. HAUGEN. Now, Mr. Chairman, I yield 15 minutes to the gentleman from Texas [Mr. HENRY] and reserve the balance of my time.

Mr. HENRY. Mr. Chairman, that leaves me 25 minutes and 15 minutes, or 40 minutes in all. I yield 5 minutes to the gentleman from Ohio [Mr. BATHRICK].

The CHAIRMAN. The gentleman from Ohio [Mr. BATHRICK] is recognized for five minutes.

Mr. BATHRICK. Mr. Chairman and gentlemen of the House, I have worked for several years up to this point, and it is a little discouraging to me to present my opinions upon this subject in the brief time of five minutes.

We have here a very remarkable parliamentary situation. In the closing moments of this Congress we have the most important bill that we shall have considered when the Congress closes catapulted into the House of Representatives. There is nothing in all the scope of legislation that has been presented since I have been here, and that is four years, that is of so much importance to the people living in the country and living in the city as this legislation; and yet I am sorry to say that I believe probably 50 per cent of the Members of this House will cast their vote upon one proposition or another with very little knowledge of the subject.

I do not say this with any reference to what I know about it myself. I will say that I have specialized on this subject

for three years, but we can not all specialize on every subject. But I had hoped that the time would come when the Members of this House would believe enough in my honesty and patriotism and desire to serve the people, so that, at a juncture like this, when many of us do not know and are not familiar with the facts, what I would say would be heeded.

Now, before my five minutes will have expired I want to explain this: We have had a bill which is called the Bulkley-Hollis bill. The Bulkley-Hollis bill was the result of the deliberations of a joint committee of the House and Senate which met and considered farm credits, and heard witnesses from all over the country, including the best students of the subject, for nearly three months.

This joint subcommittee proposed a certain bill. It was introduced in the House, but the full committee of the House did not support this bill, and it was never reported from the full Committee on Banking and Currency in the House; and up to the last few moments, when this parliamentary situation arose, the Banking and Currency Committee of the Senate of the United States had given this subject little or no important consideration. But they were pushed to the issue, to get something that pleased a certain coterie of men who had certain preconceived notions about farm credits, which, in my opinion, were entirely foreign to the interests of the farmers of this country, to bring out this bill, known as the Hollis bill, because the parliamentary situation demanded it. Now, the McCumber amendment to the Agricultural bill as it came from the Senate will give every farmer in this country 5 per cent money, and it is more nearly workable and more nearly perfect than any other bill that has been presented to you. I know it is not perfect, and I know some things in it should be changed; and if I have the opportunity I shall offer as an amendment to the substitute of the gentleman from South Carolina a revised McCumber bill. Now, I have no pride of opinion in that, but I believe if that is voted up and we can not vote up the McCumber amendment, it should be voted in this afternoon, and I will see that most of you get a copy of that revised McCumber bill.

Now, gentlemen, the bill reported by the Agricultural Committee has been under consideration by that committee from 9:30 o'clock until 1, and it never considered farm credits before to-day. The subject has never been before that committee before to-day. Yet there are people in this House, no doubt, who will say that because it comes from that committee, and because they may be in the dark respecting some provisions of this great legislation, they will follow the committee, and let it go at that. Oh, it is so easy to follow somebody in legislation. It is the easiest way.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HENRY. I yield to the gentleman from Kansas [Mr. DOOLITTLE].

Mr. DOOLITTLE. Mr. Chairman, as a member of the Agricultural Committee, as a coframer of the original Agricultural appropriation bill before it went to the Senate, where amendment 89, the so-called McCumber amendment, was added to it, and as one who has within the last few minutes come from the committee room, where the said amendment has been under consideration, I am indeed embarrassed to feel, as I do, that I can not join with the majority of my colleagues on that committee in their report to the House to substitute the Hollis-Moss-Fletcher rural-credits bill in preference to the Senate amendment 89. Since before the time I became a Member of Congress I have advocated, as a means of lowering interest rates, direct loans from the Government on approved security to farmers or prospective farmers, and my own particular views have been pressed on this House on many occasions in support of my own farm-loan bill, H. R. 11755. I am quite certain the so-called Hollis-Moss-Fletcher amendment which the committee has reported is much better than no bill at all, but, in my opinion, it lacks the fundamental principle of sufficient Government aid to make it an instrument that will lower materially interest rates to borrowers, and it is complicated. It is primarily to be financed by private funds, and that means profit to the man who has the private funds to invest rather than a reduction in the interest the borrower must pay. Private capital invests where the rate of return and the security is the most advantageous; public or Government funds take the larger view and invest, when properly directed, where most needed, properly safeguarded, of course, and where the welfare of the borrower is not ignored. The McCumber amendment is not perfect by any means. As examples of its imperfections as I see them, let me name a few: The interest rate provided is too high by at least 2 per cent—3 per cent on a farm mortgage ought to be enough. It does not provide for amortization; the methods of valuing the land offered as security are crude; it is not limited suffi-

ciently as to the purposes for which the loan may be had. No loan should be had from the Government that is not for purchase price, permanent improvements, repaying encumbrances contracted at some prior time for purchase price or permanent improvements, and possibly for stocking up the farm in a needful and necessary manner. Borrowing for speculation should be definitely barred. There are other imperfections in the McCumber amendment, but it involves the right principle—that of Government aid. It is a long step in the right direction and has the parliamentary advantage of having passed the Senate, although it was scantily considered there, as has been truly said. At another time we can perfect the bill. Let us not lose the present opportunity to take the best we can get. I shall vote for the direct Government-aid plan rather than for the substitute, believing that no real relief can come to the already heavily oppressed borrower except through this course. [Applause.]

Mr. HENRY. I yield five minutes to the gentleman from Georgia [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I had a tentative agreement with the gentleman from South Carolina [Mr. LEVER] to yield to me 10 minutes, and I should like to use all my time at once.

Mr. LEVER. I will say to the gentleman from Georgia that I was agreeing to that at the time we were trying to get a unanimous-consent agreement of the House; but inasmuch as I was forced to close this debate by a motion, with a filibuster incipient, I feel that I certainly ought to be entitled to 30 minutes myself, and I have yielded 30 minutes to the gentleman from Texas, who controls the other end of the time.

Mr. HOWARD. I yield back my time to the gentleman from Texas, with thanks.

Mr. LEVER. I will yield to the gentleman five minutes.

Mr. HOWARD. I was no party to the filibuster.

Mr. LEVER. I acquit the gentleman of that and yield to him five minutes.

The CHAIRMAN. The gentleman is recognized for 10 minutes.

Mr. HOWARD. Mr. Chairman, I very much regret that this great question has to be dealt with in such a hasty manner. The truth about the business is I believe that a great many of us who are dealing with this question right now and are professing to help the farmer could not give even an intelligible definition of the word "amortization" used in these rural-credit bills.

I weigh my words well when I say that the legislation with which we are now dealing is the most important that this Congress has had to deal with in 30 years. Now we have here the Hollis bill. I do not believe these good gentlemen intend to hand the farmers a stone when they ask for bread, but after eight hours' study of this bill—that is all the time I have had to put onto it—I do not believe that the bill is going to help the farmer. I do not believe it is going to do anything else on this earth except to allow a lot of people who have got money to organize these banks in the different localities in this country and to issue bonds or debentures and try to sell them, and drag the farmers' securities around through the country, and I do not believe that the rate of interest is going to redound to the benefit of the farmer. I am going to be very frank about this matter.

The Lord in heaven knows that if there is ever a time for the crowd of men who represent the great American producers to be frank and sincere and honest with one another, that time is now. This is a very critical time in the history of the farmers of this country. We ought to be honest enough to say what we want to do for them; and I want to say that the farmers in my section of the country have never asked for anything from the date of the Ocala convention down to the present day—the most wild-eyed paternalists never asked for anything—except to be put on the same basis in financing their business that the great industrial corporations and railroads were placed upon, to wit, to have the privilege of bringing together their collective credits under proper supervisory methods, and after bringing those credits together, having their securities of unquestionable validity placed on the market in such a way that honest investing capital would seek a perfectly sane, safe, businesslike security. If I have interpreted the Hollis bill to mean anything, it means that when the farmer goes to sell his security he is brought into competition with other farmers seeking to do the same thing, and when they are in the market bidding for money they are necessarily increasing the interest charges that they will have to pay.

Now, there are two or three different sorts of securities that are offered under the Hollis bill. I am frank to tell you that I do not know what sort of securities they are, nor does anyone else.

In the limited time I have allotted to me I can make only the following criticisms and say that at the proper time I shall offer a substitute for the Hollis bill.

The Hollis rural banking bill, as amended on February 27, 1915, seems to be a general mixture of the provisions of various other bills which have heretofore been presented, and obviously is a compromise measure. The compromises suggested serve only to weaken the bill as originally presented.

The amended bill provides for the organization of a Federal farm loan board to supervise the operations of all the banks or associations contemplated under it. It then provides for local loan associations, limited to a county or contiguous counties, which can buy and sell farm mortgages. These associations can also indorse said mortgages and dispose of them to either one of two different kinds of institutions provided by the bill:

First. They can dispose of them to what is called the "Federal farm loan bank." This Federal farm loan bank seems to be a land-mortgage bank operating in a district substantially similar to a Federal reserve district, and having power to accept indorsed mortgages from the local associations and to issue debentures against the same. These Federal farm loan banks, which I shall refer to as district banks, are to have their capital subscribed for by the local banks or associations, by individuals, and by the State and National Government. The local banks must take at least \$1,000 of stock in the district bank, or 10 per cent of their capital, before using the district bank. The United States Government must take all stock not taken by other parties. There must be at least 12 of these district banks, each with a minimum capital of \$500,000, and the Government must take all stock not otherwise taken. The inducement to individuals to take stock is removed, because the individual can not vote the stock purchased.

The local associations and the district banks above described would seem to constitute a complete system in itself, but their operations are subject to a most remarkable limitation. The local banks can buy mortgages and sell them. In practice this means that they can only sell them locally. In addition they can indorse the mortgages and send them to the district bank, which can issue debentures against these mortgages. But the curious limitation is that the district bank can only issue these debentures to the amount of the certificates of deposit issued by the local bank for deposits made with it, such certificates being turned over by the local banks to the district bank to be exchanged for debentures. In other words, the district bank can only issue debentures to the extent of the local deposits in the local banks. The result is that the system up to this point only provides for the sale of mortgages to the extent of a local market and furnishes no opportunity for reaching a wider market.

Second. The local bank can sell its mortgages to an entirely different kind of bank, called a "Federal land bank," to be capitalized privately, to be limited in its operations to a State, and authorized specifically to do two things. First, it can itself purchase first mortgages anywhere in the State; second, it can buy first mortgages indorsed by local banks and issue debentures against them.

From the prominence given these Federal land banks, which I shall refer to as State land banks, because they have a State-wide right of mortgage purchase, it appears that the advocates of the bill depend principally on these State banks to find a general market for the debentures to be issued. There is no way by which the district banks can reach the general market, because their debentures are limited to the amount of certificates of deposit held by the local banks, as above stated.

The result of this would be that there would be 12 district banks—practically owned by the Government, and perhaps eventually owned by the local banks—selling one kind of debenture, but limited to a local market. There would probably be at least 48 State banks, privately owned, selling another kind of debenture wherever they could find a purchaser. Each of these 48 State banks would be liable for all the debentures issued by each of the other State banks.

The result is that competition between all these State banks to sell their debentures would necessarily create higher interest rates to the farmer, because of the competition for investment money. And any prospective purchaser of debentures would have to decide whether he would deposit his money in a local bank and buy the debentures of the district bank controlled by the Government or whether he would buy the debentures of the State bank on the open market. The bill specifically provides that the debentures issued by the State and district banks shall be so engraved as to be readily distinguished in form and color.

The bill also takes the whole rural banking plan into the Federal Reserve System by making the Federal reserve agent the trustee to hold mortgages against which debentures are issued, and by practically requiring all financial operations of rural banks to be carried on through the Federal reserve banks. The result is an unfortunate and unwise combination of rural and commercial banking, when the two should be absolutely separated.

The State banks must have at least \$250,000 of capital, while the district banks have \$500,000 of capital; but there is no connection or relation between the State and district banks. All debentures of each State bank are guaranteed by all other State banks. The debentures of each district bank stand separate and alone.

The rate of interest to be charged the farmers is based on the rate current in the State, and the system tends to a diversity of interest rates rather than to uniformity, and tends to higher interest rates because of the competition for investment money incident to the operation of so many competing banks.

The bill provides in general terms for local banks, for Government-controlled district banks, for privately controlled State-wide banks, and for the tying up of all of them to the existing Federal reserve banks.

The attempt is made with the State-wide banks to give their debentures the benefit of the collective credit of all the State-wide banks, but no such collective credit is used with the Government-controlled district banks.

Another most serious objection to the whole plan is that, while it provides that the guaranteed mortgages may be twenty times the amount of the capital and surplus of the local bank, these mortgages must all be long-term mortgages containing the amortization feature. They must run from 5 to 35 years.

The Howard-Smith bill provides that the local banks may guarantee long-term mortgages to the extent of fifteen times their capital and surplus, and short-term mortgages—running less than five years—to the extent of five times their capital and surplus. The Hollis bill does not make any provision for short-term mortgages, and no land-mortgage bank system can conceivably be complete which does not provide for short-term mortgages.

Practically all banks in the Hollis system are required to invest 5 per cent of their capital in United States bonds. The reason for this is not apparent, and it seems foolish to take a fund intended to help the farmers and invest a material portion of it in Government bonds.

In case of the State banks, the returns to the investors in the stock are limited to 6 per cent.

Many criticisms in detail might be made, but the above general criticisms would seem to be sufficient.

The Howard-Smith bill starts with a local institution operating in a county and proceeds through the State institution to the central institution, which alone can issue debentures. All the debentures are the obligations of the central bank, secured as to the different series by mortgages from different States. All are issued on mortgages guaranteed by local and State institutions. The smallest borrower in the most remote district gets all the benefits of the collective credit of the whole system. There is no competition for investment money, because one institution alone issues debentures, and every debenture is backed up by the same general class of land mortgages, with practically a similar amount of guaranty behind it. This will tend to produce uniformity in interest rates and lower interest rates.

Mr. HENRY. Mr. Chairman, it is my purpose to detain the committee for only a short while. We now have an opportunity to add an amendment to the Agricultural appropriation bill which will bring substantial relief to the farmers in the way of rural-credits legislation.

At the outset, permit me to call your attention to an authorized interview by the President published in the metropolitan newspapers in 1913, when the Democratic caucus of Members of the House of Representatives was considering the Federal reserve act. The President's statement was issued and printed on August 13, 1913, and was carried in the Washington Post and the Washington Evening Star. The President said:

Special machinery and a distinct system of banking must be provided for if rural credits are to be successfully and adequately supplied. A Government commission is now in Europe studying the interesting and highly successful methods which have been employed in several countries of the Old World, and its report will be made to Congress at its regular session next winter. It is confidently to be expected that Congress will at that session act upon the recommendation of that report and establish a complete and adequate system of rural credits.

There has been too little Federal legislation framed to serve the farmer directly and with a deliberate adjustment to his real needs. We long ago fell into the habit of assuming that the farmers of America enjoyed such an immense natural advantage over the farmers

of the rest of the world, were so intelligent and so at ease upon the incomparable soils of our great continent, that they could feed the world and prosper no matter what handicap they carried, whether of the land or natural circumstances they labored under. We have not exaggerated their capacity or their opportunities, but we have neglected to analyze the burdensome disadvantages from which they were suffering and have too often failed to remove them when we did see what they were.

Our farmers must have similar means afforded them of handling their financial needs easily and inexpensively. They should be furnished these facilities before their enterprises languish, and not afterwards. And they will be. This is our next great task and duty. The Congress and the Executive, working together, will certainly afford the needed machinery of relief and prosperity to the people of the countryside, and that very soon.

The President was right at that time, and I was glad to agree with him. Subsequently, in December, he emphatically reiterated the same views touching rural credits in his annual message.

Mr. Chairman, we have before us to-day three concrete propositions: First, the McCumber amendment, which has come from the Senate, providing for direct loans to the farmers. Second, the Hollis bill, which was reported to the Senate on last Saturday. In my judgment, this last bill is a makeshift, an empty thing, a vacuous and spineless piece of legislation, and will wilt and crumble like a frogstool if Government aid is not placed behind it. [Applause.] Second, this Hollis bill set up an alleged rural credits system separate and apart from any source of governmental aid. Governmental aid is the one essential thing to make rural credits legislation a success in this country, as it has proved to be successful in every other civilized country of the world where the Government has fostered and aided the plan. Third, the Bulkley bill is before us, and with section 30 providing for governmental aid, the system is destined to be a success and will carry genuine relief to the American farmers. Section 30 is absolutely necessary and vital to give force and effect to the plan. Section 30 is as follows:

PURCHASE OF BONDS BY GOVERNMENT.

SEC. 30. That the Secretary of the Treasury shall, upon application of one or more of the Federal land banks herein established, and upon the recommendation of the Federal Reserve Board, purchase from Federal land banks farm-loan bonds not previously issued or sold, in an amount not to exceed \$50,000,000 during any one year, and shall pay for the same out of any money in the Treasury not otherwise appropriated: Provided, That any land bank which may sell its bonds to the Secretary of the Treasury, as provided by this section, shall, by appropriate action of its board of directors, as consideration for the accommodation afforded by the Secretary of the Treasury, enter into an agreement that at any time on 30 days' notice from the Secretary of the Treasury said land bank will cease to make any investments whatever, and will devote all receipts from every source, except so much as may be necessary for the payment of maturing liabilities, to the redemption of its bonds so purchased and held by the Secretary of the Treasury. The enforcement of said agreement shall be at the discretion of the Secretary of the Treasury.

Whenever the Secretary of the Treasury shall have purchased any farm-loan bonds under the provisions of this section, he may hold the same until maturity, or may sell such bonds at his discretion.

For this purpose the Secretary of the Treasury, upon request of the Federal farm loan board and the approval of the President, may issue and sell or use for the purposes of this act any of the bonds of the United States now available in the Treasury of the United States under the act of August 5, 1909, the act of February 4, 1910, and the act of March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal: Provided, That any Panama Canal bonds issued and sold or used under the provisions of this section or other existing authority may be made payable at such time after issue as the Secretary of the Treasury, in his discretion, may deem advisable and fix, instead of 50 years after date of issue, as in said act of August 5, 1909: Provided further, That, in the discretion of the Secretary of the Treasury, such bonds may bear a rate of interest not exceeding 3½ per cent per annum.

And at this point permit me to call your attention to several salient and strong provisions of the Bulkley bill, which we have rewritten, that make it incomparably better than the Hollis makeshift just reported to this House by the Committee on Agriculture. First, it provides for a Federal farm loan board, divorcing the system entirely from the Federal reserve act. It sets up a separate and distinct rural-credits system not subordinate in any respect to the Glass-Owen currency law recently enacted. Second, in it we provide that the interest rate shall in no event exceed 6 per cent per annum wherever loans are made to the farmers. And, third, in section 30, we specifically commit the Government of the United States to the aid of this system and provide for expending not exceeding \$50,000,000 annually out of the Treasury of the United States to guarantee the success of the plan. And in pursuance with this principle we expressly write into this law as a new amendment provision for the sale of Panama Canal bonds, the proceeds of which are to be devoted to setting up our rural-credits system. Hence, we make it certain that the strong arm of the Government shall be placed under and around the rural-credits system for the farmers, just as we have placed it under the Federal reserve act in behalf of the commercial and banking interests. [Applause.]

Mr. Chairman, it would be fatal and criminal to tender the American farmers a plan that would not sustain itself and prove a success. With this opportunity here presented, let us not fail to put our great Government back of legislation which we are now writing in behalf of the entire agricultural population of the United States. [Applause.]

The Federal reserve act was proposed, *the credit of the United States was bundled up, a blue ribbon was neatly tied around it, and the resources of a hundred millions of people, in the form of their credit, were mortgaged to the bankers and commercialists.* And I am not willing to tender the farmers of this country legislation of any less strength. In the Federal reserve act we placed the Government in partnership with the banks as to capital stock and profits, and I now assert that we should place it in partnership with the farmers in a new rural credits system. The principle is identical. They are entitled to the same treatment in accordance with all logic and by the parity of all reasoning. The farmer is here to-day to demand that he enjoy the same privileges at the Government Mint as the bankers who are feasting on Federal reserve notes issued by that mint and under this new partnership arrangement with the banks. Nothing can deter me from insisting that any rural credits legislation that we pass shall also be backed and reinforced by the credit of the United States Government upon the same principle written in the Federal reserve act. It would be a mockery and sham and a glaring fraud to do less for the agriculturists! We have come to the point where our people in these modern generations must necessarily be divided into three classes, to wit, the commercial, the industrial, and the agricultural. Currency legislation suited to the needs of commercial interests will not be sufficient for the agricultural and industrial classes. We must have a plan that authorizes long-time loans for the farmer; the commercial banking system will not avail. And I here predict that with the Federal reserve act in effect the time is not far distant when we will open the Mint of the United States to the American farmer, so that he may place his securities, mortgages, and liens as collateral with the Government and receive Government issues of money from the mint, just as the bankers do under the Federal reserve act. And States, counties, municipalities, and localities will sooner or later be enabled to take their bonds and securities, based upon the wealth, property, and resources of the people, to the Government Mint and deposit them as security and receive United States money issued for them upon the identical principle by which the Secretary of the Treasury is now preparing to issue \$500,000,000 of Federal reserve notes, *coined as the people's money, to the banks of this country in exchange for their assets and commercial paper wares sent up through the Federal reserve banks to the Mint of the United States.* There is not one particle of difference in principle in these arguments which we here advance.

The papers have just contained a statement that the Secretary of the Treasury is preparing an issue of \$500,000,000 of Federal reserve notes, to be exchanged for the assets, notes, and paper securities of the banks which they are hypothecating with the Federal reserve banks. These notes are issued from the people's mint, and the banking and commercial interests have no God-given right to monopolize this money and the credit of the Government, and exclude the farmer and wage earner from the same privileges at the people's Treasury. If the merchants' and bankers' paper are good security for these Government obligations, the farmer's mortgage, at a fair valuation, on his rich farm lands is a better guaranty. And if the merchants' paper, merchandise, and notes and the bankers' bills, drafts, and notes are good security, State, county, and municipal bonds, based upon the taxable wealth and resources of 100,000,000 people, are still better, even if the time for their redemption is somewhat longer. Hence, it is mandatory that we must forever divorce and separate our agricultural banking system from the commercial banking plan. We have an opportunity to-day, and therefore I shall vote for all good amendments looking in that direction.

In the first place, I shall support the McCumber amendment without the crossing of a "t" or the dotting of an "i" in order that we may provide for direct loans to the American farmers and send this amendment back to the Senate, so that there may not be the slightest difference between the Senate and the House calling for a conference. When we have done that and sent it to the President of the United States, we have provided for direct loans out of the Government mint to the farmers of the United States as we have previously arranged for such loans out of the same mint to the commercialists and the bankers in the shape of Federal reserve notes and the credit of the United States which we have placed in their custody. If this McCumber amendment is not written with entire accuracy at this time, we

can adopt it and write it into law as the basis for future action. When Congress reconvenes in December we can build to it, round it out, and shape it up as a foundation for a splendid rural-credits system. Hence, on this historic day, my first choice is the McCumber amendment.

In the course of the proceedings I shall undertake by my vote to perfect the Hollis bill and establish a plan worth something to the farmers. *If we can not do that, then, when the final vote comes between the two amendments on the motion to recommit, I shall vote for the McCumber amendment without any change, in order that my name shall go down in the permanent Record as one who stood for legislation bringing real relief to the farmers.*

Ah, but we hear it whispered in these Halls that the President will veto the McCumber amendment, *that he will veto the Bulkley amendment with section 30 in it, providing for Government aid, and that he will not veto the Hollis bill.* As far as I am concerned, my resolution is fixed to do my duty here for the farmers to-day, and support legislation that means something—let others pursue whatever course they may. It makes not the slightest difference with me. [Applause.] And yet I do not believe the President will veto a genuine rural credits bill, when we attach it to this Agricultural appropriation bill.

Gentlemen object to adding such a bill to the Agricultural appropriation measure. They say that legislation by the insertion of a rider on appropriation bills is not good. Permit me to say that some of the greatest reforms in legislative bodies for the benefit of the people have been brought about by attaching them to appropriation bills. And it seems to me that the hand of Providence can almost be observed in this proceeding, because it has given us the only opportunity available for establishing a rural-credits system before this session of Congress has ended. [Applause.]

Mr. VAUGHAN. Mr. Chairman, will the gentleman yield?

Mr. HENRY. For a question.

Mr. VAUGHAN. Is it not a sure way to get this legislation—if the friends of rural credits want any legislation on the question—to agree to the McCumber bill without dotting an "i" or crossing a "t"?

Mr. HENRY. That is a sure way. But before reaching that parliamentary point of procedure, we can afford to deliberate. The Bulkley bill has been considered for nine months by a subcommittee of the Banking and Currency Committee, Democrats and Republicans, in a nonpartisan way, and they have agreed to it. Members of that committee who speak to-day will tell you that they have given the Bulkley bill nine months of deliberate study and can see no further way of improving it if they should work upon it many months longer. They are prepared to report it to the House. They are ready for action, and these Democrats and Republicans have placed their seal of approval upon it. Hence, I say, let us support and adopt it, and present both the amended Bulkley bill and the McCumber amendment to the House of Representatives in order that Members may exercise their choice of action.

Mr. DIES. Mr. Chairman, will my colleague yield?

Mr. HENRY. Yes.

Mr. DIES. Will my colleague indicate what his objections are to the McCumber amendment?

Mr. HENRY. I have none, if we can not have the Bulkley bill amended to suit ourselves.

Mr. DIES. If the gentleman has no objection to it, then why adopt the Bulkley bill?

Mr. HENRY. We might adopt the McCumber bill. The gentleman would not vote for either one, so it makes no difference to him.

Mr. PLATT. Does the gentleman mean to imply that all of the members of the farm-credits subcommittee of the Banking and Currency Committee have agreed to the Bulkley bill?

Mr. HENRY. I did not say it was unanimous. The subcommittee of the Committee on Banking and Currency of the Senate and House worked on the bill and agreed—perhaps not unanimously—that this is the very best bill they can bring before Congress for action either now or hereafter. We can not improve upon its fundamental principles. It puts the Government back of it, the one essential thing for which we are fighting to-day.

Mr. Chairman, the McCumber bill embodies practically all of the essential features included in a rural-credits bill recently introduced by me. Therefore, if this McCumber amendment can be adopted by Congress and approved by the President, it will embrace the vital principles of the measure presented to the House by me. I will indeed be happy if we can take these steps before this session ends. Pride of authorship will not count with me if we can write the principles for which I have been contending in our legislation. *The great and overshadowing*

principle of Government aid is contained in the Bulkley bill, the one great thing around which my bill has been written. And so if these propositions set out in my measure can be inserted here in the McCumber amendment or the Bulkley bill, I shall gladly support them and waive all pride of authorship.

Mr. Chairman, allow me to say, in conclusion, that my resolution is fixed, and that during the remainder of my congressional career I shall fight for a rural-credits law builded and founded upon plans entirely apart from the Federal reserve act or any commercial banking system. The farmer must have a system that will afford him long-time loans. The necessities of his vocation imperatively demand it, and I shall continue to struggle for writing the same principles in all rural-credits legislation for extending direct Government aid to the tillers of the soil just as we have placed it in the hands of the banker and commercialist. There is no invidious distinction or criticism intended by me in making these arguments. Long since I have concluded that the three classes of our people—the commercial, industrial, and agricultural—must have their needs supplied through distinct banking and financial systems. The issue is raised here to-day and will not down. The fight will go on, and my prediction is that before many years have gone by this long-deferred relief for the American farmer and the industrial class will be accorded to them as Congress promptly afforded facilities to the commercial class of our people. It is a lamentable fact that in this House and elsewhere, whenever a legislator raises his voice in behalf of the farmer, the wage earner, and the worker, he is charged with being a demagogue. But a Representative is weak and cowardly who has not the heart and spirit and resolution in the face of these affronts to fight on in behalf of those who till the soil, earn their bread by the sweat of their brow, and make this Republic prosperous and great. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Michigan [Mr. McLAUGHLIN].

Mr. McLAUGHLIN. Mr. Chairman, these matters were referred to the Committee on Agriculture, of which I am a member, and we were asked in four hours to do what other committees of the House and the Senate have not been able to do in three years, and these matters come from the Committee on Agriculture in a very unsatisfactory shape. My time is limited and I shall not even presume to discuss the bills at length, but I do desire to address myself for a moment to the subject of Federal aid to farm-loan banks. A cry is raised against Federal aid, and some gentlemen—a great many, I believe—stand aghast at the idea that any Federal money shall be used for the purpose of assisting in the organization of these banks or be used by them in making loans upon farm property. I wish to say to my associates on this side of the House that if they are opposed to the idea of Federal aid they would better change or modify their national platform, because the platform has declared in favor of the organization and the supervision of banks and organizations by which the farmer of the country may obtain cheap money. But in my judgment, formed after a great deal of attention to the manner in which organizations of this kind are effected and operated in the first instance, they can not be organized and started successfully on their work without Federal aid.

We are told by the commission that visited Europe and made investigation of European methods that governmental aid has been withdrawn, and that private interests are allowed to contribute to those organizations and to conduct them, and that private capital alone is involved in them. They do not go further and say what is the plain truth, that almost every one of those systems was organized in the first instance by governmental aid, by direct appropriations of money, and that they never could have been organized without governmental aid.

But after it was organized and became strong and could operate alone without Federal aid or governmental aid, that aid was withdrawn. So that the experience of Europe is not that Federal aid is not in any case advisable or that it is not necessary, but that experience teaches that it is necessary, that it is advisable, that it is given and continued until the system has grown and the operation has attained such strength that they are able to get along by themselves and without Government assistance. Now, why should we stand aghast, as I say, at the idea of Federal aid? We have already a Postal Savings Bank System by which the people of the country are encouraged to deposit their money and draw on it 2 per cent interest.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McLAUGHLIN. I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. OLDFIELD having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. CROCKETT, one of its clerks, announced that the Senate had agreed to the conference asked by the House on bills H. R. 20643, H. R. 21089, and H. R. 21218.

AGRICULTURAL APPROPRIATION BILL.

The committee resumed its session.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. BARTON].

Mr. BARTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. PLATT].

Mr. PLATT. Mr. Chairman, it seems to me incredible that the House of Representatives should attempt to legislate on this important matter by snap, last-minute action in the manner we are going at it now. This is an exceedingly complicated proposition all the way through, and nobody can possibly understand the Hollis bill who has not had a considerable time to study it. It is the Bulkley bill with one important section—section 30—taken out and another set of banks put in, so as to make three different sets of farm-loan banks, one of them, the smaller ones, called farm-loan associations. They loan money to the farmer and take the mortgages and indorse them to banks located in the Federal reserve districts known as Federal farm-loan banks or land banks, and then there is another set of banks, limited in their action, which are called Federal farm-bond banks. The bill jumps from one kind of banks to another in such a way that you have to read part of it over four or five times to tell which is one kind of a bank and which is another. Certainly no farmers' organization has asked for any such bill as the Hollis bill.

The bills that the farmers' organizations have indorsed are bills like the Bathrick bill containing Government aid from the sale of Government bonds. Some have indorsed the Bulkley bill and a few the Moss bill. The Hollis bill does not give them what they are asking. It will not do what the farmers want, and if we should pass this hybrid Hollis bill they will all be dissatisfied with it. It is a mere makeshift compromise, patched up at the last moment. I do not see why any man should vote for it, whether he believes in Government aid or does not believe in Government aid. If he believes in Government aid, he ought to vote for the McCumber amendment just as it comes over from the Senate. The McCumber proposition is at least simple and easily understood—money from the United States Treasury. The Hollis bill is complicated. It provides for three or four kinds of institutions and two different sets of bonds, but will satisfy nobody. Certainly it will not satisfy the farmers' unions or the grange. There is only one thing that can be done in a hurry in reference to rural credits, and that is to pass the Moss bill, which will satisfy a good many intelligent farmers. It will not satisfy those of the South and West who look for Government aid, but it will give a sound system of rural credits a chance to start naturally.

Mr. RUBEY. Will the gentleman yield?

Mr. PLATT. I will yield.

Mr. RUBEY. Does the gentleman understand that the Moss bill is incorporated in the present bill before the House now?

Mr. PLATT. Not at all.

Mr. RUBEY. It is a part of the bill; the entire Moss bill.

Mr. PLATT. This is the Hollis bill.

Mr. RUBEY. And the Moss bill, also.

Mr. PLATT. Oh, well, the Moss bill separately has not been offered by the gentleman from South Carolina as an amendment.

Mr. RUBEY. The Moss bill is part of the report of the Committee on Agriculture which we are now discussing.

Mr. PLATT. Well, if the Moss bill, as it was last introduced by Mr. Moss, is part of the report, I am heartily in favor of having that adopted by itself as an amendment in place of the McCumber proposition, the Hollis bill, or any other proposition.

Mr. RUBEY. It reports the Hollis proposition and also the Moss proposition.

Mr. PLATT. I did not understand it so; but I suppose the gentleman means that the farm-bond banks of the Hollis bill before us were taken from the Moss bill by way of compromise; but that is not the entire Moss bill by any means.

Mr. ADAIR. Will the gentleman yield?

Mr. PLATT. I will.

Mr. ADAIR. The gentleman has not said anything about

the Bulkley bill. I take it from what he has said that he is opposed to any bill carrying Government aid?

Mr. PLATT. I certainly should at this time be opposed to the Bulkley bill or any similar bill.

Mr. ADAIR. You are not in favor of the McCumber bill?

Mr. PLATT. No; but if I were going to play the demagogue on this matter, I would want something that the farmers of the country would be more pleased with than anything else, and I would vote for the McCumber bill.

Mr. ADAIR. Regardless of the interests of the Government?

Mr. PLATT. Regardless of the interests of the Government or of the country.

Mr. ADAIR. The gentleman is also absolutely opposed to governmental aid in this proposition?

Mr. PLATT. I will say that in the farm-credit subcommittee I opposed that section of that Bulkley bill—

Mr. ADAIR. Or any other form of governmental aid?

Mr. PLATT. Other forms were not before us; but I should oppose any direct Government loans or any bill providing for issuing greenbacks.

Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN (Mr. SAUNDERS). The gentleman from New York [Mr. PLATT] asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. HENRY. Mr. Chairman, I yield five minutes to the gentleman from South Carolina [Mr. RAGSDALE].

Mr. RAGSDALE. Mr. Chairman, about two years ago, when I became a Member of this body, I thought there was no committee assignment that could be given me where I could have been of greater service to my people than by becoming a member of the Banking and Currency Committee; and one of the reasons was that there was a plank in the Democratic platform that specifically provided for rural-credit legislation. Now, we come to the last days of this session, when we had despaired of any opportunity in this body to have rural-credit legislation. A Republican will have written into the law of the United States, if we can get it through here, some legislation which will give us relief. I want to say, Mr. Chairman, that I do not care where a bill comes from—I do not care if it comes from a Progressive, I do not care if it comes from a Republican, I do not care if it comes from a Democrat—if it will reduce the interest burden that the farmers and producers of wealth in this country, upon whom we are dependent, pay, then I am for that bill, no matter what its effect on any party. [Applause.] I believe that at this time the Bulkley-Hollis bill is the best bill to adopt, because I do not believe that the Hollis bill is worth the paper on which it is written. I do not believe that it gives the best thoughts of the distinguished Senator whose name it bears, and I do not think that he believes in it. I do not believe that he felt in his own mind that it is in the real interest of the farmers of this country. Every Democrat on our rural-credit committee believed, and strove day after day, after careful thought, to write a bill that would give relief to the farmers of this country. We prepared the bill and introduced it in the House, which sent it to the Banking and Currency Committee, where it is now buried. Why, Mr. Chairman? Not because the rural-credit committee was not united, but because outside interference came in and denied to the farmers of this country the right to be heard on the floor by their representatives, which prevented us from carrying out platform pledges and Democratic caucus instructions and denied the right of the lawmakers of this land to consider a bill that would give us real relief.

Ah, Mr. Speaker, the time has come, and now, when these Representatives can no longer dodge this issue. This legislation sleeps no longer in the Banking and Currency Committee room, where it has been throttled in the House of its friends, who promised us relief in their platform if they should come to power. It was promised by our candidate for the Presidency upon the stump, it was promised by our President as President, it has been promised by our party, and our Democratic caucus last year instructed our committee to bring in a bill; and the time has come, and now, when the people of this country can put us in the scales and find whether we are willing to be charged with being demagogic, whether we are willing to be charged with being unsound in our legislative ideas, and whether or not we are willing to stand up here and be criticized and laughed at by the big interests, usurers, bankers, and hostile press of the country, as they did before when we were trying to reduce the burden of interest that the producers in this country are carrying. We remember the fight made to prevent six months' rediscount privilege and to prevent the use of farm products in storage and farm lands as a basis for credit, yet we wrote these amendments in legislation then pending, and

to-day its enemies of that time boast of these amendments as a part of "our work." We hear criticism of any kind of legislation intended to give real relief to the farmers of this country. It comes back to us finally, Mr. Chairman, that it is not a question of new ideas, it is not a question of any new promises, but it is a question of good faith on the part of this House, on the part of these Representatives of the people, to give them what they have been promised time and again, and which we all know they need. Government aid for an Alaskan railroad, Government aid to purchase ships, to dig canals, to open rivers and harbors is permissible, nay, wise; bills appropriating Government funds for pensions, for the Army, for the Navy, for a pleasure trip to the west coast, for expositions, for entertainments of all kinds are wise, and statesmen unite in keeping taxes on the people to provide them. But legislation which provides funds for bettering farming conditions, which lessens the burdens of farm life and makes possible the increase of the necessities of life produced there, which increases the value of taxable property and encourages families to leave crowded cities, cease being tenants and become landowners, home owners—that legislation is demagogic and should be frowned upon in this Hall, the House of Representatives, whose Members come from the people. I, Mr. Chairman, will try and keep my pre-election pledges. I shall try to redeem the platform pledges of my party, and caring not whom I please, trying only to serve the people whose brief I hold, I shall vote for rural-credits legislation providing governmental aid, and leave to others the question of their duty, their vote, and the possibilities of a veto.

Mr. HENRY. Mr. Chairman, I yield half a minute to the gentleman from Nebraska [Mr. LOBECK].

The CHAIRMAN. The gentleman from Nebraska [Mr. LOBECK] is recognized for half a minute.

Mr. LOBECK. Mr. Chairman, I desire the privilege of extending my remarks in the Record.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Pennsylvania [Mr. HULINGS].

The CHAIRMAN. The gentleman from Pennsylvania [Mr. HULINGS] is recognized for five minutes.

Mr. HULINGS. Mr. Chairman, I have tried to give intelligent consideration and study to this subject for a number of years. Nearly two years ago I introduced into this body a bill which I think is a better bill than any other bill that has been under consideration here.

There are two lines of thought that are distinctly marked out upon this subject, and one is whether the Government shall give its aid to this great industry, or whether the farmer who is needing money, who is in debt, will contribute the funds with which to organize banks. The bill that is immediately under discussion now—the Hollis bill—in my opinion, simply provides a great piece of machinery, starting out with a \$12,000 salary for a commissioner, providing for the employment of an army of employees, for plate glass, burglar-proof safes, and banking establishments, and the farmer is to foot the bill. It has no other purpose than to drive the great volume of farm loans into the control of the banking interest, and even then insists that the farmer, now so heavily in debt, shall furnish the money to start the bank. It simply suggests to the farmer that by pulling on his boot straps he can lift himself out of debt.

He goes into the money market of the world to borrow his money under the plan proposed, from the money-lending class, and he will be the last man in the world to be served, because nobody is going to lend him money at 4 or 6 per cent for five or four or three or two years or one year when there is somebody who is ready to take the money on a 60-day loan or on a short-time loan.

The bill which I have presented, and which has never received any consideration by any committee of this House, is a bill that is plain and simple, providing that the farmers within a given area may organize their associations and take their mortgages and securities to the association, when the association will make its note to the Government, payable in amortized payments within 24 years; and if the security is approved by the Secretary of the Treasury, they can get the face of the notes from the Federal Treasury. The scheme is based upon Government aid extended not to the individual farmer but to a legal organization of farmers, and the organization distributes the funds amongst the farmers putting up the security. And the consideration that is thus to be given to them is not one particle more than has been given to the money-lending class of this country through the national-bank organizations in the last 45 years. The national bank, by putting up good security, gets the face

value of the security in Government currency; they to-day can go to the Federal Treasury and by putting up the notes of Tom, Dick, or Harry, that may be good next week or may not, can get Federal aid.

Now, if a legal organization of farmers will put up adequate security, can you give me any good reason why the same consideration should not be granted to it?

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

Mr. HULINGS. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD and set out the bill which I presented to this House heretofore.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD as indicated. Is there objection?

There was no objection.

Following is the bill referred to:

A bill (H. R. 9988) to provide for farm loans secured by a pledge of approved first mortgages on agricultural lands, for the making, management, and repayment thereof, and for other purposes.

Be it enacted, etc., That the short title of this act shall be the "Farmers' loan-association act."

SEC. 2. That associations for carrying on business under this act may be formed by any number of natural persons engaged in practical farming, not less in any case than 25.

They shall enter into articles of association which shall specify in general terms the object for which the association is formed and may contain any other provisions not inconsistent with law which the association may see fit to adopt for the regulation of its business and the conducting of its affairs.

SEC. 3. That the persons uniting to form such an association shall, under their hands, make an organization certificate which shall specifically state—

First. The name assumed by such association, which name shall be subject to the approval of the Comptroller of the Currency.

Second. The place where its business is to be carried on, designating the State, Territory, or District, and the particular county, town, or village.

Third. The amount of capital stock and the number of shares into which the same is to be divided.

Fourth. The names and places of residence of the shareholders and the number of shares held by each of them, and that the shareholders are practically engaged in farming in the district wherein the association proposes to carry on its business, and the names and places of residences of the president, vice president, and cashier, who shall constitute the board of directors and who shall have been chosen by the shareholders to manage the business of the association for the first year or until their successors shall be elected and qualified.

Fifth. The undertaking of the said president, vice president, and cashier that they will become trustees for the United States to take, hold, or convey deeds, mortgages, or other conveyances of real estate and to collect rents, issues or profits, installments of interest or principal; to pay taxes when necessary to protect said mortgages, prevent waste, and to do any other undertaking or thing requisite or proper for said trustees to do in order to preserve the interest and rights of the United States in respect to the lands and the mortgages thereon conveyed to said trustees; and a copy of the bond which said trustees propose to give as security for the faithful performance of their duties.

Sixth. That each shareholder has paid to the cashier of the association 10 per cent of the par value of the shares subscribed for by him in cash and has executed and conveyed to certain trustees for the use of the United States his certain promissory note for the sum of the par value of the shares subscribed for by him with interest at per cent, payable annually, to be secured by a mortgage upon improved unencumbered farm lands owned by the mortgagor in fee simple, that for three years last past have been assessed for taxation purposes at a valuation double the amount of said mortgage and within 30 miles of the place wherein the association is to carry on its business, which said mortgage shall have a term not less than 3 nor more than 25 years, and shall be a collateral security for the payment of said note. And said mortgage may provide for the payment of said principal sum with interest or it may provide for the payment of annual installments of a fixed percentage of the face of said mortgage to the said trustees for a specified number of years, and shall also provide that in case the said mortgagor shall make default in the payment of any installment of payment of interest or principal or amortized sum at the time it may become due and payable the whole unpaid principal sum with interest shall immediately become due and payable, and said mortgage shall contain a scire facias clause with warrant of attorney to confess judgment for the principal sum remaining unpaid, with interest and proper costs, upon said mortgage in favor of said trustees, or such other provision permitted or required by the laws of the State wherein such mortgage is made for the immediate collection of said unpaid principal and interest with costs of the proceedings and without exemption or stay of execution.

Seventh. The fact that the certificate is made to enable such persons to avail themselves of the advantages of this title.

SEC. 4. That the organization certificate shall be acknowledged before a judge of some court of record or notary public, and shall be, together with the acknowledgment thereof, authenticated by the seal of such court or notary, and a copy of the articles of association duly signed by the associates, transmitted to the Comptroller of the Currency, who shall record and carefully preserve them in his office.

SEC. 5. That upon duly making and filing articles of association and an organization certificate the association shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have the power—

First. To adopt and use a corporate seal.

Second. To have succession for the period of 20 years from its organization, unless it is sooner dissolved according to the provisions of its articles of association or by the act of the association, or unless its franchise becomes forfeited by some provision of the law, or by the act of two-thirds of its shareholders.

Third. To make contracts.

Fourth. To sue and to be sued, complain and defend, in any court of law and equity as fully as natural persons may.

Fifth. To elect or appoint directors and the president, vice president, cashier, and other officers, define their duties, require bond of them and fix the penalty thereof, dismiss such officers or any of them at pleasure and appoint others to fill their places.

Sixth. To prescribe by its board of directors, subject to the provisions of this act, by-laws, not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected or appointed, its officers appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

Seventh. To exercise by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on its business by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt of its shareholders; by loaning money and borrowing money according to the provisions of this act. But no shareholder shall be permitted to become indebted to the association for a sum greater than the par value of the share held by him. The association shall not lend its funds or credit to any person not a stockholder, except that in case the association may have loanable funds not desired by any of its shareholders it may loan to other persons for terms not exceeding one year. Whenever, at any time, funds of the association can not be safely loaned at the rates fixed by the association, said trustees will immediately pay such funds into the Treasury of the United States, and extinguish by so much the liability of the association to the United States.

But no association shall transact any business, except such as is incidental and necessarily preliminary to its organization, until it has been authorized by the Comptroller of the Currency to commence its business.

SEC. 6. That whenever the articles of association and organization certificate are transmitted to the Comptroller of the Currency, as provided in this title, and the association transmitting the same notifies the comptroller that such association has complied with the provisions of this title required to be complied with before an association shall be authorized to commence its business, the comptroller shall examine into the condition of such association, ascertain especially the amount of money paid in on account of its capital, the name and place of residence of each of its directors, and the amount of the capital stock of which each shareholder is the owner in good faith, and generally whether such association has complied with all the provisions of this title required to entitle it to engage in business; and especially the character and standing and the undertaking of the persons named as trustees and the form of the official bond which they propose to give; together with the form of the promissory notes payable to the said trustees for the use of the United States with the form of the mortgages proposed to be given to secure said notes; and shall cause to be made and attested by the oaths of the directors of the association a statement of all the facts necessary to enable the comptroller to determine whether the association is lawfully entitled to commence its business, and if upon a careful examination of the facts so reported and of any other facts which may come to the knowledge of the comptroller, whether by means of a special commission appointed by him for the purpose of inquiring into the condition of such association or otherwise, it appears that such association is lawfully entitled to commence its business, the comptroller shall give to such association a certificate, under his hand and official seal, that such association is authorized to commence such business. But the comptroller may withhold from an association his certificate authorizing the commencement of business whenever he has reason to suppose that the shareholders have formed the same for any other than the legitimate objects contemplated by this title.

SEC. 7. That upon the deposit with the Treasurer of the United States by any farmers' loan association of the promissory note of the said association attested by the signature of the president or vice president and cashier of said association for a sum equal to the capital stock of said association with interest at 3 per cent per annum, payable in annual installments as follows: Three per cent per annum for 2 years, 5 per cent per annum for 3 years, 6 per cent per annum for 10 years, 7 per cent per annum for 10 years, until said note and interest are fully paid, beginning 12 months after the date of the note, and shall deposit with said note the promissory notes of the shareholders payable to said trustees for the use of the United States in amount equal to the capital stock of said association with mortgages as aforesaid to secure the payment of said notes and interest thereon, accompanied by policies of insurance of the validity of such mortgages, and the same are approved by said Comptroller of the Currency to be in proper substance and form according to the purposes and intent of this act; and it appearing that said notes and mortgages are valid securities taken by the association in payment of shares of its stock and deposited as collateral security with the Secretary of the Treasury to secure the payment of the note of the association as aforesaid, and to secure the immediate payment of any installment of said association note with proper costs in case default shall be made in the payment of any such installment at the time it becomes due, and thereafter or as often as any installment becomes due in which there is any default in payment, and the said trustees having deposited with the said Secretary their undertaking of the office of trustees of said securities for the use of the United States, together with their official oaths and bonds for the faithful discharge of their duties, the Secretary of the Treasury shall then place the notes made by the shareholders and the mortgages securing the payment thereof in the possession of such trustees, and such association shall be entitled to receive from the Comptroller of the Currency circulating notes of the United States to an amount equal to the par value of the stock of said association; and it shall be the duty of said trustees to safely keep said mortgages and the shareholders' notes secured by the same, and to collect the said notes and the interest as the same becomes due, and out of such collections to pay to the Treasury of the United States the stipulated annual installments as they fall due on the note of the association, and such payments shall be credited on the note of the association, and in case there is any default on the part of any maker of any of said notes according to the terms thereof, or if taxes are allowed to become a lien upon the land mortgaged to secure any of said notes, to proceed at once to collect the whole of said mortgage thus in default with interest and the costs thereof; any moneys collected by the trustees over and above the amount required for the annual payment for any year due to the United States shall be paid into the treasury of such association.

In case of the death of a trustee or trustees the survivor or survivors shall act.

SEC. 8. That the association shall then cause the certificate issued under the preceding section to be published in some newspaper printed

in the district where the association is located for at least 30 days next after the issuing thereof, or, if no newspaper is published in such district, then in the newspaper published nearest thereto.

SEC. 9. That any such association may change its name or place where its business is to be carried on to any other place within the same State not more than 30 miles distant with the approval of the Comptroller of the Currency, by the vote of two-thirds of the shareholders of such association. A duly authenticated notice of the vote and of the new name or location selected shall be sent to the office of the Comptroller of the Currency, but no change of name or location shall be valid until the comptroller shall have issued his certificate of approval of the same.

All debts, liabilities, rights, provisions, and powers of the association under its old name shall devolve upon and inure to the association under its new name.

Nothing in this act contained shall be so construed as in any manner to release any such created association under its old name or at its old location from any liability, or affect any action or proceeding in law in which said association may be or become a party or interested.

SEC. 10. That a farmers' loan association may purchase, hold, and convey real estate for the following purposes, and for no others:

First. Such as shall be necessary for its immediate accommodation in the transaction of its business.

Second. Such as shall be mortgaged to it in good faith by way of security for debts contracted.

Third. Such as it shall purchase at sales under judgments, decrees, or mortgages held by the association, or shall purchase to secure debts due to it.

SEC. 11. That the capital stock of each association shall be not less than \$25,000, or may be any multiple thereof, and shall be divided into shares of the par value of \$100 each, and be deemed personal property and transferable on the books of the association in such manner as may be prescribed in the by-laws or articles of association. Every person becoming a shareholder by such transfer shall, in proportion to his shares, succeed to all the rights and liabilities of the prior holder of such shares; and no change shall be made in the articles of association by which the rights, remedies, or security of the existing creditors of the association shall be impaired.

SEC. 12. That in all elections of directors, and in deciding all questions at meetings of shareholders, each shareholder shall be entitled to one vote without respect to the number of shares held by him. Shareholders may vote by proxies duly authorized by writing; but no officer, clerk, teller, or bookkeeper of such association shall act as proxy; and no shareholder whose liability is past due and unpaid shall be allowed to vote.

SEC. 13. That the affairs of each association shall be managed by three directors, one of whom shall be president, one vice president, and one cashier, who shall be elected by the shareholders at a meeting to be held at any time before the association is authorized by the Comptroller of the Currency to commence business and afterwards at meetings to be held on such day of each year as is specified therein in the articles of association. The directors shall hold office for one year and until their successors are elected and have qualified.

SEC. 14. That every director must, during his whole term of service, be a citizen of the United States, and must have resided in the district in which the association is located for at least one year immediately preceding his election and must be resident therein during his continuance in office. No director shall own more than one share of the capital stock of the association of which he is a director, nor shall he be a borrower from or be in any way pecuniarily interested in loans made by such association. Any director who as a trustee is unsatisfactory to the Comptroller of the Currency may be immediately removed as such trustee by the said comptroller, and such removal renders such person ineligible as director and his place shall become vacant.

SEC. 15. That each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of such association, and will not knowingly violate, or willingly permit to be violated, any of the provisions of this title, and that he is the owner in good faith and in his own right of the number of shares of stock subscribed by him or standing in his name on the books of the association, and that the same is not hypothecated or in any way pledged as security for any loan or debt other than to the association itself. Such oath, subscribed by the director making it, and certified by the officer before whom it is taken, shall be immediately transmitted to the Comptroller of the Currency and shall be filed and preserved in his office.

SEC. 16. That any vacancy in the board shall be filled by appointment by the remaining directors, and any director so appointed shall hold his place until the next election.

SEC. 17. That if, from any cause, an election of directors is not made at the time appointed, the association shall not for that cause be dissolved, but an election may be held on any subsequent day, 30 days' notice thereof in all cases having been given in a newspaper published in the city, town, or county in which the association is located; and if no newspaper is published in such city, town, or county, such notice shall be published in a newspaper published nearest thereto. If the articles of association do not fix the day on which the election shall be held, or if no election is held on the day fixed, the day for the election shall be designated by the board of directors in their by-laws, or otherwise; or if the directors fail to fix the day, shareholders representing two-thirds of the shares may do so.

SEC. 18. That the shareholders of every farmers' loan association shall be held individually liable, equally and ratably, and not one for another, for all contracts, debts, and engagements of such association, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares.

SEC. 19. That the Treasurer of the United States is also authorized to permit the trustees to substitute for one or more of said notes and mortgages one or more other notes and mortgages of similar terms and of equal approved value whenever said association may find it necessary to substitute for a nonborrowing shareholder another shareholder desiring to borrow, who furnishes equally good security, and such substitution having been authorized, the trustees shall transfer the shares held by the retiring shareholder to the new shareholder or shareholders.

SEC. 20. That the power of visitation and inspection of each association shall be similar to that now exercised by the United States over national banks, but the fee for any inspection shall not exceed \$15, and inspections shall not be made more than three times in any one year.

SEC. 21. That the general provisions of law relating to suits by or against national banks shall apply to farmers' loan associations.

SEC. 22. That the real property of any such association shall be subject to State, county, or municipal taxes to the same extent according

to value as other real property is taxed, but the mortgages made to any trustees for the use of the United States shall not be subject to State taxation, nor shall the loans of the United States to any such association be subject to taxation for any purpose.

Mr. LEVER. Mr. Chairman, may I inquire how the time stands?

The CHAIRMAN. The gentleman from South Carolina [Mr. LEVER] has 25 minutes, the gentleman from Texas [Mr. HENRY] has 15, and the gentleman from Iowa [Mr. HAUGEN] has 7.

Mr. LEVER. Mr. Chairman, I ask that the gentleman from Iowa use some of his time.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from California [Mr. HAYES].

The CHAIRMAN. The gentleman from California [Mr. HAYES] is recognized for five minutes.

Mr. HAYES. Mr. Chairman, during the last year or two I have given much study to this question, and I very much regret that we are obliged to pass upon it here after only two hours' debate. I regard it as one of the most complicated and most important questions that have been before this Congress.

In the first place, let me speak of the so-called McCumber amendment. The McCumber amendment, if I understand anything about the Constitution, would be, as my friend from Georgia has said respecting the Hollis bill, not worth the paper it is written on. I would like to know under what grant of power of the Federal Constitution Members of this House can find authority for putting the Government of the United States into the loaning business—under what grant of power we are going to give the farmers, a single class in this country, an axe and tell them to go ahead and knock down the doors of the Treasury and help themselves, for that is about what this McCumber amendment means.

There is no provision whatever in this bill for any appraisal of the property on which loans are expected to be made. There is no machinery provided for putting this into operation. Any Secretary of the Treasury would have great nerve to undertake to organize a loaning bureau in the Treasury of the United States and start it into action under the provisions proposed by the amendment to this bill.

Mr. HENRY. Mr. Chairman, will the gentleman yield there? The CHAIRMAN. Does the gentleman from California yield to the gentleman from Texas?

Mr. HAYES. Yes; I yield.

Mr. HENRY. Did we not loan the Government money to the banks in New York City in the panic of 1907?

Mr. HAYES. No; strictly speaking, no loan was made. Money was deposited in the banks by the Secretary, and there may be doubt whether there is any warrant for it in the Constitution. That was done, you might say, by unanimous consent. It has only been done in times of financial distress.

Mr. HENRY. Do we not loan money to the banks now on security?

Mr. HAYES. No; but the Government does loan its credit, and when the Federal reserve act was before the House I expressed the doubt, which I express now, whether there is any authority in the Constitution for doing it, and I said then to the gentleman and to this House that if we did that the next step would be that the farmers and other classes would be before us, asking that the Government lend its credit to them for their especial personal benefit. And I will say to the gentleman now that if the Congress of the United States passes this amendment it will not be a year before the laboring people of this country will be before the Congress of the United States asking that the privilege be extended to them. Next will probably come the miners, who want to develop their mines, asking for the same thing, and they will be followed by other classes of our citizens.

Mr. HENRY. Just one other question now: Have we not insured the ships of the shipowners?

Mr. HAYES. The gentleman knows I do not approve of any of that sort of legislation. I am opposed to extending the field of operations of the Federal Government, except where absolutely necessary to carry out some great national purpose which can not be accomplished through the local governments, and I am strongly opposed to putting the Federal Government into private business enterprises of any kind.

Mr. KORBLY. Will the gentleman yield?

Mr. HAYES. I yield to the gentleman from Indiana.

Mr. KORBLY. The gentleman from California does not want to be understood as saying that the Federal reserve notes would not be effective if they did not have the governmental quality?

Mr. HAYES. I do not. I think they would be just as effective if they did not have it.

Mr. GORDON. Is it not a fact that all this legislation that the gentleman from Texas speaks about concerning the banks is

justified by the courts upon the theory that they are fiscal agents of the Government?

Mr. HAYES. The courts have not passed upon this legislation, but they may justify it on that ground.

Mr. GORDON. Solely?

Mr. HAYES. Yes; it must be justified on that ground, if justified at all.

Mr. GORDON. Is there any such function as that performed here?

Mr. HAYES. Not at all.

Mr. BATHRICK. Now, on that point—

Mr. HAYES. One moment. In the so-called Hollis amendment proposed by the committee there is a provision on page 72, at the bottom of the page, which is intended to make that amendment constitutional, providing that 5 per cent of the stock of these banks shall be invested in Government bonds; but, in my judgment, that does not overcome the constitutional objection at all, and does not make it constitutional. The purpose of the amendment is plainly not governmental in character and is not intended to carry into effect any grant of power to the Federal Government conferred by the Constitution.

Mr. MOORE. Will the gentleman yield?

Mr. HAYES. I yield to the gentleman from Pennsylvania.

Mr. MOORE. Did we not make provision for loans to the farmer in the Federal reserve bank act?

Mr. HAYES. We did—commercial loans and real estate loans, and not to exceed a certain per cent of the capital stock of the bank.

Mr. MOORE. Can he not get such money as he needs under that, if he has property or credit?

Mr. HAYES. He can get commercial loans and real estate loans to the extent of a certain percentage of the capital stock of the bank, as I have stated.

Mr. BATHRICK. Does not the McCumber amendment make the Government a fiscal agent for the purpose of making loans?

Mr. HAYES. Yes, it does; but it does not make the banks fiscal agents of the Government, which is necessary to give it any pretense of constitutionality.

Mr. BATHRICK. It does.

Mr. HAYES. I beg the gentleman's pardon. There is no pretense of that sort at all.

Mr. SUMNERS. Will the gentleman yield?

Mr. HAYES. I can not yield, as I have only two minutes left. I want to say a word in reply to the gentleman from Michigan [Mr. McLAUGHLIN], who said that no rural-credit institution in the world had ever been organized without Government aid. The landschaften of Germany, the greatest farm loaning institution in the world, has been in operation for nearly 150 years, and has never had any financial aid whatever from the Government.

Mr. BATHRICK. Now, will the gentleman yield on that?

Mr. HAYES. I will yield for a question.

Mr. BATHRICK. Does not the gentleman know that the landschaften has no money and needs no Government money?

Mr. HAYES. I can not yield to the gentleman to make a speech. I know that the landschaften never had any Government financial aid at any time in its history. It was started under Frederick the Great and was fostered and assisted in its operations, but the Government of Germany never gave it any financial assistance of any kind.

Mr. BARTLETT. And, besides that, Germany is not governed as we are, under a written constitution.

Mr. HAYES. That is true, and very important to bear in mind while considering any legislation of this kind.

Mr. TOWNSEND. Is not the same thing true of the Credié Francaise?

Mr. HAYES. They had \$2,000,000 in the beginning, but have never had any further direct governmental aid.

I am one of those who believe in providing the farmer with as cheap money as he can possibly get. I am willing to go as far as I can see my way clear to give him the loans that he desires at as cheap a rate of interest as can be gotten for him; but when the farmers of the United States are asking bread, I am not willing to give them a stone. I am not willing to do something that I know will be worthless, because void under the Constitution under which we are supposed to operate, and that will not give him the relief which he is seeking. All of these amendments should be voted down; and in the next session of Congress, when we have plenty of time, we can take up this subject and formulate and pass into law an adequate rural-credit proposition. [Applause.]

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Iowa [Mr. CONNOLLY].

Mr. CONNOLLY of Iowa. Mr. Chairman, I ask unanimous consent to extend by remarks in the Record.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Nebraska [Mr. SLOAN].

Mr. SLOAN. Mr. Chairman, much has been said about the pledges of the various political parties. I shall put the planks of the various parties in the Record. I want to say that in no one of them is there a pledge for loaning any public funds to an organized system of rural credits in the country.

The Republican Party declared:

It is of great importance to the social and economic welfare of this country that its farmers have facilities for borrowing easily and cheaply the money they need to increase the productivity of their land. It is as important that financial machinery be provided to supply the demand of farmers for credit as it is that the banking and currency systems be reformed in the interest of general business. Therefore we recommend and urge an authoritative investigation of agricultural credit societies and corporations in other countries and the passage of State and Federal laws for the establishment and capable supervision of organizations having for another purpose the loaning of funds to farmers.

The Democratic Party in its Baltimore platform said:

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance. Therefore we recommend that an investigation of agricultural credit societies in foreign countries be made, so that it may be ascertained whether a system of rural credits may be devised suitable to conditions in the United States; and we also favor legislation permitting national banks to loan a reasonable proportion of their funds on real estate security.

The Progressive Party declared:

We pledge our party to foster the development of agricultural credits and cooperation.

Investigations have been instituted and carried on under the direction of Republican Presidents so that the matter of rural credits had been much mooted throughout the country and had received favorable consideration.

Congress has been in session almost constantly for the last two years. The pledged rural credits legislation, which was placed on a parity with currency and bank reform by the party in power, has been studiously delayed and obstructed by those who are responsible for legislation. A commission was sent to Europe to study rural credits systems there. Not a single fact was or could have been discovered by that commission which could not have been readily obtained in the usual means of obtaining information here at Washington. But, then, that would not have enabled the long delay which has taken place in the consideration of this legislation. Members of the majority interested in rural credits legislation and who were insisting on its enactment in connection with or at the same time as the so-called Glass-Owen currency measure was passed were placated by that force which has been directing legislation in Washington for the last two years by the promise that as soon as the Glass-Owen banking and currency bills were passed the rural credits bill should be taken up. This was at a time when the Banking and Currency Committee was meeting informally, but allowing only the majority members to be present, excluding the minority members. If the minority members had been permitted to meet, as the proper procedure for committee action demanded, rural credits legislation would have been immediately connected with or run parallel to the banking and currency bill. But the few majority members of that committee who really favored rural credits legislation were thrust aside with a barren promise.

How effectually rural credits legislation has been disposed of has been well told on the floor of this House by Representatives WINGO, of Arkansas, NEELY, of Kansas, and RAGSDALE, of South Carolina. They place the blame where it belongs.

The legislation was delayed, obstructed, and finally set aside in the long session of the Sixty-third Congress. In the short session of the Sixty-third Congress the friends of rural credits legislation became active. It was expected that the distinguished Representative and Senator who constituted the present commission to visit Europe and study rural credits would become exceedingly active in presenting this legislation, but it seemed to have suddenly dawned upon the administration that ships on the ocean were more important than credit on the land. So we find the distinguished Senator member of that commission leading about a 40-days' fight in the Senate for a hopeless, useless, unwise ship-purchase measure to the entire neglect of the rural credit legislation.

It seems that after the ship-purchase bill's passage became entirely hopeless a rural credit bill was attached to the Agricultural appropriation bill in the Senate and it comes back to the House for our consideration. The rural credit system involved in this bill is not regarded as satisfactory, and we are told upon the floor of the House by the leaders of the majority favoring rural credits that unless the McCumber provision goes

through, that on account of the lateness of the session there will be no rural credit legislation. I am convinced that this is true, and the development of the last few days demonstrates it to be true, for since the debate was opened on the subject the McCumber bill has been by the majority taken out of the Agricultural appropriation bill and the so-called Hollis-Bulkley bill substituted. The Agricultural appropriation bill has gone to the Senate, and from thence thrown into conference, and the conference committee has decided that there shall be no rural credit legislation this term. It gave instead the subterfuge of a commission in an attempt to placate the insistent demands of a large number of the people of the United States, who had some faith in the deliberate promise and pledge of the party in power, to legislate along this line.

It is much to be regretted that this House did not rise to its opportunity and pass some rural credit legislation if for no other reason than to establish and announce its dignity and independence. It should have done this despite the threat of veto, the blandishment of power, and the activity of Cabinet members with patronage at their disposal. The action would have been worth while.

A great deal has been said about the landscape and other rural credit systems in Europe. We could safely investigate and consider them, but should not be guided or controlled by them. America's situation is different from that of any European country. Our ways are not their ways, nor are their conditions ours. We can safely trust our Representatives to take account of our conditions and legislate in the interest of our people for the purpose of rectifying and changing those conditions, if they should be changed. Our legislation should be based upon our own history and present state of development and future conditions desirable to be brought about. Past and foreign precedents and practices may be shackles for our limbs instead of walls for our protection. The oxgoad will not control the spirited horse, nor the equine reins direct an automobile.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. VOLSTEAD].

Mr. VOLSTEAD. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from California [Mr. RAKER].

Mr. RAKER. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman from California asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. HENRY. Mr. Chairman, I yield to the gentleman from Texas [Mr. EAGLE] two minutes.

Mr. EAGLE. Mr. Chairman, with reference to rural credits, there are two thoughts running through the country, and there are the same two thoughts running through the minds of the Members in this Chamber. One is the thought that the farmers ought to continue to pay for the use of money the enormous and prohibitive rates of interest at present charged against them on their mortgages, with abstract charges, with commission charges, and with renewal charges, which together constitute prohibitive rates, so as to keep the producing masses perpetually in bondage to the financial oligarchy of this country.

Another is the thought that the farmer ought to have, when he has perfect security, the facility of obtaining a loan for his use and benefit by the aid of the Federal Government, so that he himself may retain his annual increase of wealth and not be longer compelled to sacrifice it by excessive interest charge for the money he is required to borrow. I earnestly share the latter view.

Now, over in the Senate the other day, when the venerable fathers were nearly all out of the Chamber engaged in other business, only six being in the Chamber, a gentleman tendered to the Agricultural appropriation bill an amendment called the McCumber amendment, which was adopted, and it comes over here as the McCumber amendment, and we must to-day vote for it or against it.

May I say, because one can necessarily express himself only crudely in two minutes, that there is tendered, after that political exigency was created in the Senate, by the Banking and Currency Committee of the Senate a unanimous report called the Hollis bill—a bill with the life taken out of it absolutely, and unless amended not worth the paper that it is written on, so far as the American farmers are concerned. [Applause.]

Without impugning the good faith of any man, permit me to say that it is my deliberative judgment, after years of study of the important subject of farm credits, as well as 20 years' experience as a lawyer, that this Hollis bill without necessary amendments is what in slang parlance is called "a lemon" tendered to the American farmer.

I am not in favor of it, and unless it be amended I should not vote for it, because it requires the farmers to "lift themselves by their own boot straps."

But there will be tendered to the Hollis bill an amendment called the Bulkley bill. The Bulkley amendment is section 30 in the Hollis-Bulkley bill, which the joint subcommittees of the House and the Senate after nine months of hearings prepared. Section 30, which will be tendered by Mr. BULKLEY as an amendment to the Hollis bill, puts the financial aid of the Nation, with its wealth of \$140,000,000,000 and its population of 100,000,000 souls, back of the farmers' rural-credit bill, and will thus give it backing and strength and guarantee its success. Hence I think that every Member who is in favor of the farmer having cheap money to purchase and to keep and to improve his land, who does not believe that the American financiers ought to be allowed to continue to monopolize the annual increment of wealth produced by the farmers of this Nation, ought to vote to add the Bulkley amendment to the Hollis bill and then to vote for the Hollis bill as thus amended in preference to the McCumber amendment. But if the Bulkley amendment can not be adopted, I think those of us who would give the farmers substantial relief should vote for the McCumber amendment instead of the Hollis bill, which promises much but performs nothing. [Applause.]

Upon the shoulders of the American farmers rests the whole fabric of our wealth, our prosperity, our security, and our happiness. Laws that make for his security and prosperity make for the perpetuity and glory of our institutions. Sprung from him, my whole heart is set upon his welfare. The dearest wish of my public service is to aid him in his burdens, to lighten the loads laid upon him, to contribute toward his welfare and happiness. While we have the opportunity let us give him real and permanent relief and blessing by putting the Federal Government back of a farm-credit system which alone can guarantee its success and his blessing. [Great applause.]

Mr. HENRY. Mr. Chairman, I yield to the gentleman from Kansas [Mr. HELVERING].

Mr. HELVERING. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Kansas?

There was no objection.

Mr. HENRY. Mr. Chairman, I yield to the gentleman from Wisconsin [Mr. REILLY].

Mr. REILLY of Wisconsin. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. HAUGEN. Mr. Chairman, how much time have I remaining?

The CHAIRMAN. The gentleman has 19 minutes.

Mr. HAUGEN. Mr. Chairman, I yield five minutes to the gentleman from Oklahoma [Mr. MORGAN].

Mr. MORGAN of Oklahoma. Mr. Chairman, there is no subject in which my people are more deeply interested than the subject of better credits for the farmer. I believe in Federal aid to our rural-credit system. I believe that aid ought to go as far as necessary to secure proper credit for our agricultural interests. Some persons seem to think that this is only a question of doing a special favor for the farmer. Some people appear to believe that the only problem involved is getting for our farmers a lower rate of interest, as a special concession, a gift, or a donation to them. I am in favor of this legislation, of course, first, in the interest of my constituents, and, second, in the interest of the farmers generally of the United States. But higher and above and greater and more important than the interest of the farmer or any other class of our citizens is the interest of this great Government of ours. My friends, just as sure as we are here to-day, the future of this Nation, its life, its strength, its power, its perpetuity, rests upon the expansion and development of its agricultural interests. You men who represent constituencies in cities—the non-farming population—are as deeply interested in this question as are the men on the farm, because in the course of 40 or 50 years, when we will have 250,000,000 population, should stress and peril and war come, it will be the millions in our great cities that will first raise the cry for bread. I am in favor, as I said, of such aid as is necessary. I do not believe it is

necessary for the National Government to issue its own bonds to secure our farmers credit. That is going further than any nation has ever gone, and while I may vote for the McCumber proposition, I do not believe it is necessary to go that far in order to provide our farmers with an abundance of interest at the lowest rate of interest. The Hollis bill as embodied in the committee report is not fair to our farmers. Our farmers have asked for bread, but if the National Congress passes this bill it will be giving them a stone. Two things are necessary for any adequate rural-credit system: First, you must provide ample credit; second, you must provide a low rate of interest. Unless we are to get greater credit than we have now, it is useless to have additional legislation.

Mr. GORDON. Mr. Chairman, will the gentleman yield?

Mr. MORGAN of Oklahoma. I can not yield. And unless we can lower the rate of interest it is useless to have additional legislation. I maintain that this bill will neither provide adequate credit nor a low rate of interest. Under this bill the capital stock of these banks may be only \$6,000,000, and loans are limited to 20 times the capital stock of the banks. This would provide for only \$120,000,000 in loans, and what would that be compared to the two or three billion dollars in existing farm mortgages that must be taken up under the new system? You will not provide adequate credit under the system proposed in this bill. The Hollis bill provides for an expensive system. The farmers have the security if we will only throw around that security inexpensive machinery that will present the farmers' security in proper shape. This bill provides 1 per cent annually on every loan to provide for the expense of administering the system.

Mr. J. M. C. SMITH. Mr. Chairman, will the gentleman yield?

Mr. MORGAN of Oklahoma. Yes.

Mr. J. M. C. SMITH. Does the gentleman know that the farmers have \$2,500,000,000 on deposit in banks of the United States at the present time?

Mr. MORGAN of Oklahoma. They may have more than that.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, no one has a deeper interest in the welfare of the farmer than myself. I come from a farm stock. All my people were tillers of the soil. My maternal grandfather was among the earliest settlers in central Indiana. He wrestled with an unbroken wilderness and reduced it to cultivation, rearing a large family and laying deep the foundations of a community which has always prospered and which to-day ranks high in farming and stock raising. I was born and grew up on a farm. I learned my letters in a country school. My earliest and happiest recollections are of country things and country ways. The very first money ever earned by me was a small silver coin which an uncle paid me for dropping corn. All the duties which the farm life imposes are familiar to me. My experiences embrace almost everything connected with farming as it was carried on when I was a boy. I have milked the cows and operated the old dash churn. I have sat day after day on a Brown corn planter. Many a long hot day have I spent "snaking" haycocks from the meadow to the stack yard. Many a down row have I kept up when corn husking was in progress. In a small way it was my privilege to participate in the sheep shearing, in the hog killing, in the feeding of stock, in every activity that falls to those in agricultural pursuits. So I can not be charged with any lack of native sympathy with the farmer. If I do not share precisely in certain demands which are being made here in behalf of the farmer, it is not because I am of alien blood or indifferent disposition. My sympathies run as true to the old life of which I was a part in the long ago as those of any man on this floor or elsewhere. My desire to promote the interests of the farm is as keen as it is sincere. And my readiness to serve the farmer in any proper way is equal to that of anyone in public life or out of it.

But, Mr. Chairman, there is a question in my mind whether the legislation here proposed is desirable from any standpoint. It certainly can not be desirable from the standpoint of the tenant farmer or from that of the farm laborer. It can not possibly help either. On the contrary, it must infallibly make the lot of both a little harder, for if this legislation shall accomplish anything it will stimulate speculation in farm land, and speculation in farm land will mean higher prices for it, higher rents demanded for its use, a longer and more difficult struggle on the part of the landless to obtain a solid footing on the soil.

What we are proposing to do is to confer a special privilege on certain owners of farm land—the privilege of borrowing money at less than the current rate of interest. This does not differ in principle from employing the powers of government for the benefit of manufacturers in the matter of protective tariffs. But it is said that we have conferred on big business the privilege which is sought for the farmer. True. But we have been complaining a good deal about the favoritism which has been shown toward big business. There has been ground for complaint. It is no part of the business of government to foster any particular interest or industry. It can do so only at the expense of other interests and industries. Where a privilege is bestowed some right is invaded or denied. You can not rob Peter to pay Paul without leaving Peter the worse for what you have done.

It is urged that farm loans at less than current rates of interest will stimulate the growth of wheat and corn, of cotton and tobacco, of cattle and hogs. Possibly. Yet what we are certain to stimulate is the selling price of farm lands. The advantage of the lower interest rate will infallibly be capitalized in higher land values. Such an advantage is just like any other—like the building of a railroad, the digging of a drainage ditch, the increase of population. It is immediately reflected, as the other advantages named are reflected, in the value of the land. Farmers as such are not helped by high-priced lands. It is only as land speculators that they stand to gain from this source. If they are primarily interested in the production of grain and cotton and tobacco and other forms of agricultural wealth, they can produce no more when the land worked goes up to \$100 an acre—other things being equal—than they were able to produce when it was worth only \$10. But I recognize how hard it is for the farmer to separate his interests as a mere landlord from those which concern him as a tiller of the soil. The enormous growth of speculative farm-land values during the last 40 or 50 years has somewhat turned his head. In some cases he has grown quite rich as a result, not because he has worked harder, not because his production has increased, not because of keener thrift, but simply and solely because population has multiplied, advantages have increased, and in response to these forces the value of his land has doubled or quadrupled. In some sections of the country farm-land values on the average have increased during the last 10 or 20 years by 300, 400, and even 500 per cent.

What this means to the tenant farmer and the farm laborer should be fairly obvious. To the one it means that he must pay a much higher rent than before. To the other it necessarily means a longer, a harder, a more hopeless struggle to gain a position of independence. It means to the tenant farmer that he must remain in that condition. It means to the farm laborer that he must continue in this capacity or drift to the city. And I think if those who are so much concerned over the relative depopulation of the farming communities would take this tremendous fact into account they would find in it a sufficient explanation of the phenomenon which causes them so much anxiety as to the future.

Back to the farm! Yes; back to the farm. But when the man from mill or mine, from factory or countinghouse, from workshop or store turns his face in that direction what runs forth to meet him? Farm-land values which compel him to stand and deliver all that he may have saved during a long period of working and self-denial. Before he can gain access to the soil upon which he hopes to live and labor he must pay a tribute which leaves him practically without resource. In nine cases out of ten this tribute not merely absorbs all his savings; it also plunges him into debt, the purchase price thus hanging like a millstone about his neck.

It is a serious question with me, Mr. Chairman, whether we are going to mend things much if we adopt this legislation or any legislation along this line. I would like wonderfully well to do something to help the farmer, but I do not want to help him at the expense of some one else. I do not want to help the farm owner at the expense of the tenant farmer or the farm laborer. Nor am I more willing to employ governmental powers for his enrichment than I have been that these powers should be employed in enriching the Steel Trust, the Coal Trust, the Lumber Trust, the Railroad Trust, or the Money Trust. All my life I have been conscientiously opposed to privilege, and all privileges have looked alike to me. Had it been possible effectively to protect the farmer by tariffs, as steel has been protected and lumber and wools, I would have opposed the protective tariff in that case as relentlessly as it has been opposed by me in its real workings as the enemy of the farmer and the workingman. I would be unworthy of the honor which is now mine if I should reverse the record of a lifetime spent in war upon

privileges for the manufacturers and the bankers to appear on this floor as the champion of another sort of privilege designed to benefit a particular class.

Mr. Chairman, if I were to undertake to do something for the farmer it would be along a quite different line. Instead of making him the beneficiary of a governmental favor I would undertake to free him from the exactions of those possessing governmental favors, who are preying upon him in a dozen ways. Instead of conferring a privilege upon him, I would take away the privileges which others employ in laying him under tribute. If the farmer is falling behind in the race—and apparently this is so—it is because he is carrying some unnatural and unnecessary handicap. It is because he is the victim of discrimination. It is because there are those who are in position to place obstacles in his path and to fetter his limbs. Where one sows and from the sowing reaps a hundredfold there must be some other than a natural reason for failure.

But if farmers are to be accorded the privilege of borrowing money at a low rate of interest—a rate below the current one prevailing at a given time and place—why not “the butcher, the baker, and the candlestick maker”? Is our Uncle Samuel partial? Has he particular nephews toward whom he feels peculiarly gracious? It is perhaps true that the farmer is in hard lines because of high interest rates exacted by those with money to loan. But are not men in other walks in hard lines for the very same reason? We hear that the farmer is retarded in the development of his land by the interest burden he is carrying, and that when this is lightened he will leap and run and get forward. Let us not doubt that this will be the case. But there are men in town and city who are retarded in their activities by the very same sort of burden who would leap and run and get forward were their burden relieved in like manner and measure. Is nothing to be done for these?

Mr. Chairman, I am inclined to think of the forgotten man. He figures very little in our calculations. He is wholly lost sight of, it would seem, in this particular exercise of governmental beneficence. Yet he is somewhat numerous. He embraces the millions who are dispossessed—the mill workers, the miners, the artisans of many kinds, the train men, the farm hands, the small storekeepers, the struggling professional men, the small manufacturers, the tenant farmers, the hundred and one component parts of the vast industrial army which is cut off from its base of supplies by the monopoly of natural resources and whose case will be aggravated rather than improved by what is proposed here. For nothing can be clearer than this, that land values will be boomed by this process so that access to the soil will become more difficult rather than less, self-employment more remote rather than less. I therefore speak for the forgotten man—for the man whom Uncle Sam is again passing by; for the man with nothing but his labor; for him with the little home and the little business who is staggering under a load which grows heavier as he struggles forward; for the clerk behind the counter; for the tenant farmer who works one day for himself and the second day for the owner of the acres he tills; for the farm laborer who can not possibly share in the beneficence which Uncle Sam is bestowing on his employer; for all the voiceless multitude which has no lobby at this capital, which has no printing press in motion to spread its tale of woe, which suffers and is dumb, which must be the more cruelly oppressed by this new grant of privilege and which can only be relieved by setting it free amid free opportunities where it can work out its own salvation unvexed by the tribute taker and undismayed by what the morrow may bring forth.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Washington [Mr. FALCONER].

[Mr. FALCONER addressed the committee. See Appendix.]

Mr. HENRY. Mr. Chairman, I yield to the gentleman from Oklahoma [Mr. THOMPSON].

Mr. THOMPSON of Oklahoma. Mr. Chairman, we have arrived at a point in the legislative career of this Congress where there is presented a proposition for rural-credit legislation, a thing that I have been striving for ever since I have been a Member of this Congress. The Senate on last Thursday attached to the Agricultural appropriation bill what is known as the McCumber amendment. It is not all that I would wish it to be, but it is a long step in the right direction, and will result, in my judgment, in reducing the interest rates that our agricultural classes are compelled to pay. It is simple. There is no complex law or machinery to be put in operation, no set of red-tape rules and regulations whereby the farmer would be enmeshed and disabled from procuring a loan. It extends direct Government aid to the agricultural and producing classes of the country the same as the Government has extended its aid to the commercial interests of the country in the Federal reserve act,

and as it has since the foundation of the Government extended direct aid to practically every other business except that of the farmer. If I had the power, I would amend the provision by inserting an amortization principle, extend the loans to a period of 50 years instead of 10, make its provisions broad enough to include personal credits as well as real estate credits, and reduce the interest rates to that interest for which the Government bonds will sell at par—3 or 3½ per cent—and I would provide that the farmer in no event should pay more than 5 per cent for his money.

The Committee on Agriculture has brought in a provision which it is intended to offer as a substitute for the McCumber amendment adopted by the Senate, and it consists of 55 pages, provides for the organization of farm loan banks in the various communities of the United States and a land-mortgage bank in each of the Federal reserve districts. The farm loan organizations in the different communities are to be organized by citizens of the community who take stock therein. It provides numberless rules and regulations and a complex and cumbersome organization which, in my judgment, foredooms it to failure. In the first place, in a community where there is sufficient money to organize one of these farm loan organizations such organization is absolutely useless, because the people have money and do not need such an organization. In other words, this bill merely provides that the people can form an organization to loan their own money back to themselves, paying the expenses of such an organization. The bill does not attempt to reduce the interest rates. It provides that the interest rates shall be the interest rates in the different States of the Union where the banks are operated. It provides no usury; and, being organized under a Federal law without any usury penalty, it would necessarily repeal the usury laws in force in the various States where these farm loan institutions are organized and operated. It does not provide any governmental aid whatever. It is not practical or workable. The institutions never will be organized and, in my judgment, the plan will prove a complete failure. It is an attempt to hand the farmers a “lemon.” I shall vote against the Hollis substitute and I shall vote for the McCumber amendment, notwithstanding it is not what I want and not what the farmers and producers of this country are entitled to.

Within the past two days, and since the McCumber amendment was attached to the Agricultural appropriation bill in the Senate, I have received numerous telegrams from farm-loan companies operating throughout the United States, protesting against hasty action in the preparation of a rural-credit bill. These farm-loan companies, you know, are terribly interested in the welfare of the farmers and in reducing the rates of interest the farmer has to pay. For instance, here is one telegram that I received:

OSWEGO, KANS., February 26, 1915.

HON. JOE B. THOMPSON, M. C.,
Washington, D. C.:

Newspapers report rural-credit act attached as rider to Agricultural appropriation bill passed by Senate. The act as drawn is considered not well conceived or properly balanced. Its importance is such that hasty action would be ill advised. Proper delay for preparation of more complete comprehensive act is most important.

ROBERT O. DEMING.

And I received others containing practically the same language. The language is so strikingly similar that it produces the suspicion that the farm-loan companies at least understand one another in their opposition to the provisions of the McCumber amendment. I have answered the various parties telegraphing me as follows:

I have your night letter of the 26th, protesting against rural-credit legislation attached as a rider to the Agricultural appropriation bill. The McCumber amendment, which has been made a part of the Agricultural appropriation bill of the Senate, is not all I would want, but it is a step in the right direction. The farmers of the country, and especially the farmers of Oklahoma, are required to pay such high rates of interest that I am gratified to support any provision, though it may not be what I would want, that promises relief, and especially a bill containing a provision carrying direct governmental assistance, which insures the lowering of the rate of interest to this most deserving class of our people. I shall therefore be glad to support this amendment, perfected if possible, but if that is found impossible, to support it just as it is.

To show you what the farmers of the country think of the McCumber amendment, I desire to quote a telegram from George J. Christensen, secretary-treasurer of the Farmers' Co-operative Union of Oklahoma, addressed to me to-day. It reads:

DAVIS, OKLA., March 1, 1915.

HON. J. B. THOMPSON,
Washington, D. C.

Support Senate amendment. Oppose buncoed bankers' proposition, without Government backing, and stand for rural farm credit. See other Oklahoma Senators and Congressmen and get them to do likewise.

GEO. J. CHRISTENSEN,
Secretary-Treasurer.

We have an opportunity at this time to give the farmers real genuine rural credit legislation, not in all its details, but in principle, Government aid, what we have extended to all other classes of business. I know it is said that the President will veto the Agriculture bill and call an extra session of Congress if it carries the McCumber amendment or any other proposition extending direct aid to the farmers. The Washington Post of this morning carried the following:

ULTIMATUM FROM WILSON—WILL VETO AGRICULTURAL BILL IF M'CUMBER AMENDMENT IS IN IT.

Representative ASBURY LEVER, of South Carolina, chairman of the House Committee on Agriculture, was notified by President Wilson last night that the President would veto the Agriculture appropriation bill if it contains the McCumber amendment, which proposes to loan Government money directly on farm land.

Representative LEVER also was informed that the President will veto the bill if it comes to him containing the so-called Bulkley amendment, which would obligate the Government to purchase \$50,000,000 of land-mortgage bonds, another form of Government direct aid.

Mr. Chairman, the responsibility of passing this bill rests on Congress, and I have a duty to perform to the people of Oklahoma who elected me as a Member of this body. Our people were compelled during the cotton-harvesting season just passed to sustain a loss of thirty to forty millions of dollars by reason of the paralyzed condition of the cotton market. The Government refused to extend aid and assist them in holding their crop until the war was over and the markets restored. The Government can help every class of business and every character of business except the agricultural industry. We can build a railroad in Alaska, purchase ships to carry the commerce on the high seas, pass a Federal reserve act that puts the Government behind the currency of the commercial interests of the country and extends relief to the banks, but we must not extend relief to the agriculturists.

The President has a perfect right to veto this bill if he so desires if it passes with a provision carrying Government aid. That is his privilege, but that shall not deter me from voting for what I believe to be right, and if the bill passes carrying this provision and is vetoed, the responsibility will be with the President and not with me.

Mr. HAUGEN. Mr. Chairman, I yield to the gentleman from Pennsylvania [Mr. MOORE].

[Mr. MOORE addressed the committee. See Appendix.]

Mr. HAUGEN. Mr. Chairman, I yield four minutes to the gentleman from Iowa [Mr. PROUTY].

Mr. PROUTY. Mr. Chairman, no one can carefully and candidly examine our present banking system without coming clearly to the conclusion that at present it favors commercial transactions at the expense of the producing or agricultural interests of the country. A man steps into a bank now to borrow money and if he wants it for commercial purposes the bank is glad to get the loan, because it can at once rediscount it and get its money back; but if he steps in and asks to borrow money for the purpose of buying land, of improving land, to carry on the process of production, the banks says, "We can not use that very well, because we can not rediscount it," and the result is that in a practical way the farming interests of this country are put at a disadvantage in the borrowing of money, and every man who is in practical touch with the present situation knows that it is harder now to secure money for a loan upon real estate than it has ever been, so far as I have known, in the history of this country.

Now, I can not get myself to believe that the Hollis bill amounts to anything. It seems to me that these fellows loan themselves their own money. If it is in a community where they have no money, they can not start these banks, because they can not find the money to start them or run them. On the other hand, if it is in a community where they have plenty of money, they do not need this system at all. I think that if we ever do anything that is of real substantial benefit to the farming interests of the country we must do for them what we have done for the great commercial interests of this country—put the strength and credit of the Government behind it. [Applause.] If you do not do that, you accomplish nothing. I would favor the McCumber bill with a slight amendment. I do not believe that we ought to be forced to sell our bonds at $4\frac{1}{2}$ per cent when we can sell them at 3 per cent. [Applause.] Therefore I am going at the proper time to offer as an amendment the words "not to exceed $4\frac{1}{2}$ per cent." On the other hand, if these bonds will sell for more than their face value, I see no reason why the Government should not be able to command the market price for them. If they are drawing $4\frac{1}{2}$ per cent and selling at 110, why should not the Government receive 110 for them. At the proper time I will offer a little amendment covering that defect. With this amendment I shall vote for the McCumber provision.

Mr. SUMNERS. Will the gentleman yield?

Mr. PROUTY. I will.

Mr. SUMNERS. Does the gentleman believe the bill also ought to carry the amortization plan?

Mr. PROUTY. Oh, I think that is a good thing, but I do not think it is absolutely essential. I think great relief can come from this bill if it be passed substantially in the form that has been proposed by Mr. McCUMBER, with the amendment which I suggest.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAUGEN. I yield two minutes to the gentleman from Kansas [Mr. CAMPBELL].

Mr. CAMPBELL. Mr. Chairman, the Federal reserve act places the Government behind the commercial interests of the country, issues and proposes to issue money into the hundreds of millions, and lends it to the banks for commercial purposes. No one should be shocked therefore when it is proposed by the McCumber amendment to place the Government behind a plan that proposes to finance or take up the securities of the farmers of this country and enable them to secure money that is placed at the disposal of agencies selected by the Government for the convenience and benefit of the farmers. I opposed the Federal reserve act, but that having been forced upon the country and having made more difficult the borrowing of money upon farm securities than ever before, I shall vote for this amendment. I am opposed, as a general proposition, to the Government issuing money, but if we can issue it for commercial purposes we ought to issue it for the purpose of enabling our people to purchase and pay for farms. I shall vote for the amendment.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAUGEN. I yield to the gentleman from Wyoming.

Mr. MONDELL. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. HAUGEN. Mr. Chairman, I yield the balance of my time to the gentleman from North Dakota [Mr. NORTON].

The CHAIRMAN. The gentleman is recognized for eight minutes.

Mr. NORTON. Mr. Chairman, during the past few years no question has been discussed by the people of this country more than the question of rural credits. It is generally conceded by everyone having any acquaintance with the subject that in this country to-day the farmers are paying an interest rate of just about twice what they should pay. The farm property of this country is estimated to be worth \$40,000,000,000, in round numbers. Twenty-eight billion dollars of that amount represents the value of farm lands. The annual income from all farm property is something more than \$8,000,000,000. The total amount of credits that the farmers of this country carry to-day is about \$6,000,000,000. In a recent work by Mr. Herrick on rural credits he makes the statement that the average interest rate on this \$6,000,000,000 of farm credits is $8\frac{1}{2}$ per cent. The interest that the farmers of this country are paying each year amounts to over \$500,000,000.

It does not take much of an argument to convince any man if we can adopt some system that will cut that rate in two, reduce it one-half, take off the backs of the American farmers over \$250,000,000, it is our business to do that.

Mr. GORDON and Mr. BATHRICK rose.

The CHAIRMAN. To whom does the gentleman yield?

Mr. NORTON. I yield to the gentleman from Ohio [Mr. GORDON].

Mr. GORDON. While you are taking it off the backs of the farmers and lending it to them at 4 per cent, why do you not pass it around and loan it to everybody at 4 per cent? Men in business have to pay 6 per cent.

Mr. NORTON. Yes; and many of these men are, in carrying on their business, standing on the backs of the farmers of the country. Farmers who produce the food for the Nation occupy a very much more important position in the life of the Nation than the business men you speak of.

Mr. GORDON. You have to get money to do business with.

Mr. BATHRICK. I asked the gentleman to yield that I may have opportunity to pay just tribute to a banker of the United States who owns one of these 10 or 12 per cent banks and yet, unselfishly, is standing here and advocating a lower interest to the farmers of this country. I commend his conduct to some who will not sacrifice personal interest to the people's welfare.

Mr. NORTON. I want to say to gentlemen of the committee if I know anything about anything I know something about farm loans and the exorbitant rates farmers are paying on their credits in this country. We have before us here to-night a very simple proposition. I believe, and I am sure that is the belief

of anyone who has knowledge of this subject and knowledge of the parliamentary situation here, that unless we concur in the McCumber amendment practically without amendment, we are going to go home from this Congress without any Federal rural credit legislation. [Applause.] I want to say to you, gentlemen, that with the situation that is before us I am first for the McCumber amendment. The Bulkley bill has some merit. But the Hollis bill proposed as a substitute is, in my judgment, an impractical proposition. The Hollis bill will bring no relief whatever in this generation to the farmers of this country. [Applause.] I know that the McCumber bill is a practical and workable bill. It is not in some important particulars as I would like to have it. Still it is a simple proposition. It involves the same business principles that are employed by every great insurance company in this country to-day making farm loans. What do these companies do? They do just as the McCumber bill provides for the Federal Government to do. They send out applications through the banks of the country to receive from the farmers applications for loans. They act upon those applications and they grant the loans if the security is sufficient. In brief, that is what the McCumber amendment is. It provides that the Government shall loan money direct to farmers; that applications shall be sent to the State and national banks of the country; that these applications shall be returned here to a farm credit bureau in the Treasury. It is true that the provisions of this bill loans the credit of the United States to the farmers of the country, but not any more than the credit of the country to-day is being loaned to the national-banking institutions of the country.

The credit of the United States is being loaned without question to the banks in this country to-day. Should the United States under provisions of this bill issue bonds and loan \$2,000,000,000 or \$5,000,000,000 to the farmers of this country, it would be secured by farm lands worth more than twice the amount of the loans. The United States now lends its credit to the Federal reserve banks, which accept as security commercial papers frequently having back of them no producing power. It is often a question as to whether the private individual or business concern making these papers will be able to meet them. However, when you loan a farmer under a proper rural-credit system \$1,000 he is possessed of property which will produce an income sufficient to pay the annual interest on that \$1,000 and to retire the principal within a reasonable time.

There are some provisions in the McCumber bill which should be amended. The provision in the bill now is that the bonds to be issued by the Government shall be sold at their face value and shall bear interest at the rate of $4\frac{1}{2}$ per cent, payable annually. I believe that this provision should be amended to provide that the bonds shall bear interest at the rate of $3\frac{1}{2}$ per cent and may be sold at not less than their face value. I believe, further, that the rate of 5 per cent provided to be charged to farmers on their loans might well be reduced to 4 per cent. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. NORTON. Just a word. I want to say, in conclusion, to the gentlemen of the committee if you vote for the McCumber amendment to-night, you will have to-morrow Federal rural-credit legislation and a good, fair, workable system in this country. If you adopt some substitute for amendment 89 and send the legislation to conference, you will be simply playing into the hands of those opposed to Federal rural-credit legislation, and such action will mean the death of practical rural-credit legislation by this Congress. This legislation is now half way through Congress. I hope the real friends of rural-credit legislation will not vote to lose the advantage which it almost seems Providence has given us. The eyes of the toiling farmers of this country are turned toward you, beseeching your assistance. Do not fail them at this hour of opportunity. [Applause.]

MESSAGE FROM THE SENATE.

The committee informally rose; and Mr. WILSON of Florida having taken the chair as Speaker pro tempore, a message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 21328) making appropriations for the support of the Military Academy for the fiscal year ending June 30, 1916, and for other purposes, had insisted upon its amendments disagreed to by the House, and had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon, and had appointed Mr. CHAMBERLAIN, Mr. FLETCHER, and Mr. DU PONT as the conferees on the part of the Senate.

AGRICULTURAL APPROPRIATION BILL.

The committee resumed its session.

Mr. LEVER. Mr. Chairman, I yield to the gentleman from Illinois [Mr. FOSTER].

Mr. FOSTER. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. LEVER. Mr. Chairman, I yield to the gentleman from South Carolina [Mr. AIKEN].

Mr. AIKEN. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. LEVER. Mr. Chairman, in another legislative body, consisting of 96 Members, with only 6 of that membership present, I am informed, a great proposition, involving an entirely new departure in the legislation in this country, was inserted upon an appropriation bill as a rider. That bill came to this body. An attempt in a regular and orderly way was made to send that bill to conference, where the differences between the two Houses might be worked out in an orderly and proper manner. That request was denied. The bill was sent to a committee of this House which had no jurisdiction over it in the first instance, and whose members, as far as I know, with the exception of one, had never given any special consideration to the subject of rural credits, although most of its members were in favor of rural-credit legislation. That committee was asked in the course of 24 hours to present a workable, reasonable, and wise proposal to this House and to the country.

The committee met this morning at 9.30, and continued in serious and earnest deliberation until after 1 o'clock, when the pressure of time made it necessary that some report to the House should be made. We did what I think all sensible men under the circumstances would have done. We reported back to the House a bill which has been unanimously reported by the Committee on Banking and Currency of the Senate, after long deliberation, covering more than nine months; a bill which contains the essential features recommended by the Federal Rural Credit Commission, and a bill which has been worked out by the Banking and Currency Committee of the Senate; a bill which almost in its entirety has the strong indorsement of the gentleman from Indiana [Mr. MOSS], who in my judgment—and I do not speak this in disparagement of other Members who have studied this question—knows more about rural-credit legislation than any other man in this body, if not in this country, [applause], as a substitute for the unconsidered proposition which was put upon the agricultural appropriation bill as a rider in another body—a proposition that has never been considered by any committee in the other body, and a proposition which had behind it nothing of the expert opinion of the country on this subject.

It was a matter of good fortune for the membership of the Committee on Agriculture that this great student of that question [Mr. MOSS] should have been a member of the Committee on Agriculture.

Now, gentlemen, what is the situation? We are within three days of the time when this Congress must die by limitation of law. Intimations in the newspapers, whether true or not, have it that there is danger of a presidential veto of the agricultural appropriation bill—

Mr. BATHRICK. Mr. Chairman, will the gentleman yield?

Mr. LEVER. I do not yield—if certain propositions are permitted to remain in it.

Mr. NORTON. Mr. Chairman, will the gentleman yield?

Mr. LEVER. I do not yield. I decline to yield, in all courtesy to the gentleman.

The CHAIRMAN. The gentleman declines to yield.

Mr. LEVER. If the agricultural appropriation bill should be vetoed—and I do not know whether it will be or not and have no authority to speak for the White House—if it should be, I say to you, that great bill, carrying \$2,500,000 for the suppression of the foot-and-mouth disease, which is rapidly spreading, would not be available. I say to you, southern men, that the money for the enforcement of the cotton-futures act would not be available. I say to you that numbers and numbers of new and important propositions, as well as old ones, that are carried in the agricultural appropriation bill must fail, including the hog-cholera item.

Mr. CALLAWAY. Mr. Chairman—

Mr. LEVER. I decline to yield; I can not yield.

The CHAIRMAN. The gentleman declines to yield.

Mr. LEVER. I say to the Members of this House, I say to my Democratic colleagues, that we are facing as critical a situation as has faced this administration since it began, and it behooves us—it behooves all of us—to deal with this matter in a calm and dispassionate manner. Let this bill get to conference. Let us see if we can not work out a reasonable compromise and come to some conclusion and prevent one of the great supply bills of this country being defeated, necessitating, without a doubt, an extra session of Congress.

Mr. Chairman, I reserve the balance of my time. [Applause.]

Mr. HENRY. Mr. Chairman, I suggest that the gentleman from Iowa [Mr. HAUGEN] use some of his time.

The CHAIRMAN. He has used all his time.

Mr. HENRY. Then I yield to the gentleman from Ohio [Mr. BULKLEY] the remainder of my time. [Applause.]

The CHAIRMAN. The gentleman from Ohio [Mr. BULKLEY] is recognized.

Mr. BULKLEY. Mr. Chairman, in the brief time at my disposal it is obviously impossible to discuss adequately the great subject we are called upon to consider. In this time, however, I think I can make clear what the difference is between the Hollis bill, as reported by the Committee on Agriculture today as a substitute for the McCumber bill, and the original Hollis-Bulkley bill, which has been pending for nearly 10 months. Most of the words in the bill now reported by the Committee on Agriculture are the same as the words in the bill H. R. 16478, which I introduced last May. There are, however, three important amendments proposed to this bill. There are many small amendments, transpositions of words, and grammatical corrections which amount to nothing and which I am willing to accept. But, as I say, there are three important amendments.

First, the control of the system is taken away from the Federal Reserve Board, as was proposed in the original bill, and it is placed in the hands of a Federal farm-loan board, created by the new bill. The second important amendment proposes the incorporation of private institutions, confined in their operations each to a single State, with a minimum capitalization of \$250,000.

These would be private banks, incorporated for profit, but permitted to do business of the same character as the original bill proposed to have done exclusively by farmers' cooperative associations. These banks would be under Federal control, but would be incorporated for private profit.

The third important amendment is that section 30 of the original Hollis-Bulkley bill, the section which provided for the purchase by the Federal Government of the bonds issued by the land banks—Federal aid to the system—is proposed to be stricken out.

As the gentleman from South Carolina [Mr. LEVER], the chairman of the committee has said, the bill which is now reported is one which has been carefully considered. The joint subcommittee of the Senate and House Committees on Banking and Currency worked for months on this proposition and had the benefit of hearing many expert witnesses. It had the benefit of studying the work prepared by the United States commission which went abroad. It had the benefit of cross-examining the gentleman from Indiana [Mr. MOSS], who served so ably as a member of that commission. It had the assistance of other Members of this House, notably the gentleman from Ohio [Mr. BATHURICK], the gentleman from North Dakota [Mr. NORTON], and others who had made a specialty of this subject, who came before our committee and presented their views. We had the services of the best expert that we could find in the drafting of the bill, Dr. H. Parker Willis, of New York, who was the expert employed by the House Committee on Banking and Currency in the preparation of the Federal reserve law, and who is now secretary of the Federal Reserve Board. He assisted us with his technical knowledge in the preparation of this bill. You need have no fear of any technical defects in the bill. The only propositions on which I differ from the Hollis bill as now presented are broad questions of policy, which every Member of this House can understand in short order.

The first important amendment, taking the control of the system away from the Federal Reserve Board and lodging it with the Federal farm-loan board, is, I believe, a good amendment. I am for it.

The second amendment, proposing that private banks may be incorporated to compete with the cooperative associations which we propose to incorporate, is an amendment to which I am opposed. I shall discuss it more fully under the five-minute rule, as time is short now.

But the fundamental proposition that is wrong about this Hollis bill as it comes to us from the Committee on Agriculture is that it lacks section 30. It lacks that substantial Government aid which will be absolutely necessary to make a success of any rural credit system in this country, as has proved to be the case in every country of the world. [Applause.]

Mr. CALLAWAY. Mr. Chairman—

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from Texas?

Mr. BULKLEY. Briefly. I have very little time.

Mr. CALLAWAY. Does the gentleman believe that a proposition which does not carry Government aid will be worth comparatively anything at all to the farmers?

Mr. BULKLEY. I do not.

Mr. CALLAWAY. Then is not this Hollis bill pure buncombe?

Mr. BULKLEY. I do not believe it will be of any use at all unless you add section 30 to it. [Applause.]

Now, I want to say that all the farmers of the country have demanded at least as much aid as was contained in the original Hollis-Bulkley bill, and many of them have asked for more. Let me read to you briefly the resolutions adopted at the last annual meeting of the National Grange:

Whereas at the last national meeting of the grange it indorsed the principle of Government aid in establishing a system of farm credit suitable to the needs of agriculture; and

Whereas after a year of official investigation it has been proven that in the long-founded practice of all the great nations of the earth government aid of farm credit is a necessary factor in aid to government, to efficiency of food production, and deliverance from high cost of farm loans, which is now operating to discourage investment in agriculture; and

Whereas a farm-credit bill emanating from a joint committee of the House and Senate, known as the Bulkley-Hollis bill, contains but a modicum of Government aid, hardly in compliance with the request of the large body of Americans: Now, therefore, be it

Resolved, That the legislative committee and officers of the grange throughout the country are instructed to insist on behalf of this body that more substantial Government aid to steady interest rates and uphold the market for farm-mortgage bonds shall be included in the bill finally passed by Congress; and

Be it further resolved, That no farm-credit bill which places in the hands of private capital the power to make interest rates on mortgage bonds without limitations by Federal law will meet either the needs of agriculture or the just demand of the National Grange.

Let me call attention to the fact that it says that the legislative committee is instructed to insist upon even more substantial Government aid than is provided for in the Hollis-Bulkley bill. The Committee on Agriculture now asks you to strike out all of the substantial Government aid that was provided in the Hollis-Bulkley bill. Does anyone suppose that the farmers will be satisfied with that sort of legislation?

The Farmers' Union at the last national convention adopted these resolutions:

First. That any system for farm finance should aim, first of all, for service and not for dividend, although it will be necessary to pay reasonable dividends on capital stock.

Second. That the postal-savings deposits be deposited in the farmers' association in lieu of bonds, to supply cash.

Third. That the regional reserve banks be used to discount farmers' notes, the same as any other commercial paper.

Fourth. That the by-laws allow the borrower to elect the time and the manner of all long-term loans in accordance with strict rules of amortization and that short-term loans be made according to the regulation of ordinary commercial loans.

Fifth. That the board of directors or advisers decide on all applications for loans and the quality of the security.

So far as these resolutions relate to land-mortgage credit, the original Hollis-Bulkley bill substantially meets every one of them.

Now, gentlemen, I propose to offer to the Hollis amendment now pending a few simple amendments. Some of them are of minor importance, and it is a matter of comparative indifference whether they are agreed to or not. Three of them are merely incidental to the two important amendments which I believe to be essential to the perfection of a proper rural credit system. These important amendments are: First, to strike out section 17 of the new Hollis bill providing for the creation of private banks, whose advantage would be to increase the interest rates and compete with the farmers' loan associations. Second amendment, to reinsert section 30 of the old bill providing for a substantial aid from the United States Government in the support of farm credits.

I take it that the gentleman who will conclude this debate in behalf of the committee will offer some further explanation of the structure of the bill which I have not had time to do in the brief time at my disposal. I take it, too, that he will discuss the McCumber amendment and show what are the fatal defects of that amendment. [Applause.]

Mr. LEVER. Mr. Chairman, I yield to the gentleman from Minnesota [Mr. LINDBERGH].

Mr. LINDBERGH. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman asks unanimous consent to extend his remarks in the Record. Is there objection?

There was no objection.

Mr. LEVER. Mr. Chairman, I yield the balance of my time to the gentleman from Indiana [Mr. Moss].

The CHAIRMAN. The gentleman from Indiana is recognized for 17 minutes.

Mr. MOSS of Indiana. Mr. Chairman, in common with every member of the Agricultural Committee of the House, I regret the method by which this bill has been catapulted into the legislative arena. Even were it possible to secure for it careful consideration, its enactment at this time and by this method will subject the law to suspicion and distrust. The public mind has not been prepared for this rapid-fire work, this nickel-in-the-slot method of enacting legislation; and it would have been vastly better had the committees having legislative jurisdiction over this subject framed this bill in the ordinary manner and presented it to the House and Senate through the usual legislative channels. I say this in friendship to rural credits legislation and not in criticism of the Agricultural Committee. It was a "condition, not a theory," which that committee had to face this morning in the committee room, and I feel that its action in bringing back this bill to the House with promptness deserves commendation rather than criticism.

The gentleman from Ohio [Mr. BULKLEY] has just spoken in criticism of the substitute offered to the House by our committee. I wish to use the time allotted to me principally in explaining the provisions of this bill. Some weeks ago I gave to the House my views on State aid, and I shall not on this occasion repeat them. But in passing I desire to say that at no time have I held a very high opinion of the administrative features of the Hollis-Bulkley bill, but I have never held nor expressed as mean an opinion of it as has been freely expressed on the floor of the House to-day by its avowed friends. It has been asserted time and again in this debate that without section 30—that is, without the aid of the Federal Treasury to float its bonds—the proposed bank is powerless to aid the farmers of the United States, and that unless the system is protected from all competition the bank itself can not survive. Thus its friends frankly admit that they are seeking to bestow not only Government aid but also to grant Government monopoly.

The gentleman from Ohio—one of the joint authors of the Bulkley-Hollis bill—complains of the competition of independent banks which are proposed to be chartered by the committee substitute. Now, how can any independent bank compete successfully with the Hollis-Bulkley system? Such competition is only possible if the institution is prepared to give better service at lower rates. Whoever heard of competition on any other terms? The purpose of this legislation is to give to farmers the very best possible rates and terms on farm loans. Competition means the survival of the fittest, and in the end will award business to the strongest instrumentality. It will give command of the field to that institution which can do the business on the best terms to the borrower.

The usual and ordinary objection to extending Government aid to any institution is that such action drives private capital from that particular field of endeavor, and hence stifles private initiative and of necessity promotes the growth of State socialism; but in this debate we have a reversal of this argument. The friends and authors of the Bulkley-Hollis bill, even after the House has amended the committee substitute by inserting the State-aid provision as originally written, are claiming that it is necessary to protect these Government-aided banks from the competition of independent banks, and are insisting on striking section 17 from the bill. This amendment, if adopted, will add monopoly to Government aid and will make that provision doubly offensive to those who believe in a fair field and no favor.

However, in the end a decision on this question of State aid must be made by Congress, and a year's debate or consideration can not obviate that necessity.

I am not one who considers that the rate of interest is the sole consideration to decide the question as to what constitutes the best system of rural credits. In the United States in all our banking legislation of the past we have endeavored to protect the interests of the depositor. This question has been deemed of so great importance that it has been made a political issue and has been incorporated in political platforms. Perhaps, in the conduct of commercial banking, this view is the correct one; but true rural credit banking looks to the protection of the borrower.

I wish to emphasize this idea of protection to the borrower and of this new banking viewpoint. For this reason the system of administration, rather than the rate of interest, comes first in point of importance. I do not wish to disparage the

question of rates, but rather to insist upon consideration of administration. Through this proposed system of rural credits we seek to encourage the farmer to go in debt for certain purposes; not only to go in debt, but to go heavily in debt—to mortgage his farm up to the limit of his commercial credit, to be repaid during a long period of time; and, in turn, we seek to protect his interests so that he may with safety and with every assurance of success accept that hazard. It is my opinion that it is only by increasing the volume of their indebtedness that the present generation of farmers may hope to improve our agriculture in a satisfactory degree. There seems to be a relation between improvement in agriculture and the volume of farm indebtedness.

Iowa is the best agricultural State in the Union, and it bears the heaviest mortgage indebtedness. Speaking in general terms, agriculture in the South is not as well organized as in the North; but the South is much freer of mortgage indebtedness than is the North. There has been rapid improvement in southern agriculture during the past 10 years, and likewise there has been a corresponding increase in the volume of mortgage indebtedness. Perhaps the agricultural lands in Prussia are the most heavily mortgaged of any equal area of the earth's surface; but nowhere has agriculture been more highly organized. Therefore I repeat that a successful rural credits system must be one which will enable farmers to go more heavily in debt and which will permit this indebtedness to be contracted under safe terms and conditions.

We have had many rural credits bills presented to Congress. In the main, these various bills represent the individual views of their respective authors. There are two bills which form the basis of this substitute which is offered by the Agricultural Committee. In their early stages these two bills were sharply antagonistic, but as they passed through successive revisions they came more nearly in agreement, until, finally, it was found possible to merge them into this substitute without material abridgment of either.

The United States Commission, after having made a careful study of the subject of mortgage credit, presented the pioneer bill to Congress. Upon that structure the subcommittee of the Banking and Currency Committees of the House and Senate constructed a bill. Senator HOLLIS, in reporting that bill to the Senate, stated that it was in all its principal features similar to the United States Commission bill, except they felt that they had made some improvements upon it.

The two bills differed in four important particulars: First, the United States Commission in their bill gave the banks under their charters a right to accept a limited line of deposits, fixing the limit at a volume not exceeding one-half the paid-up capital and surplus of the bank. It followed, of course, that the bank was permitted to engage in certain lines of commercial banking so as to provide profitable investment for these deposited funds. The banking and currency bill did not permit the acceptance of deposits nor did it extend the privilege of commercial banking. They decided upon a pure mortgage bank. Personally I am still of the opinion that a mortgage bank should be given the right to accept limited deposits in order to provide funds to purchase their bonds as a temporary investment and to sustain their market value. The bank will find itself under the necessity of fixing a minimum market price on its bonds if these securities are to enjoy the advantage of a stable price limit and a ready cash market. Until these banks have accumulated a considerable surplus it will be difficult for them to protect their securities, should they be offered upon the market by investors. However, in the revision of our bill, the commission decided to eliminate this provision and to reduce the banks to the rank of those proposed by the Banking and Currency Committee. This action eliminated one of the differences between the two bills and left them diverging sharply in but three important provisions.

One of these was in the authority which should be given governmental control over the proposed banks. The commission was of the opinion that this system of banking should be kept separate and wholly apart from the Federal Reserve Board, and we proposed a separate bureau to be created in the Treasury Department. The chief executive officer was to be known as the commissioner of farm land banks.

As stated by the gentleman from Ohio [Mr. BULKLEY], the Banking and Currency Committee lodged their control in the Federal Reserve Board, but in a revision by Senator HOLLIS and his associates this control was taken from the Federal Reserve Bank and placed in a special bureau in the Treasury Department. This change eliminated one of the other differences between the two bills. In all of their essential principles the two bills now had but two differences. One of these was that of Government aid. Section 30 in the original Bulkley-Hollis

bill places the power of the Government's Treasury behind the system by permitting the Secretary of the Treasury to purchase \$50,000,000 of land bonds annually. This provision was intended to have the effect to place on the Government Treasury the burden of keeping these bonds at par. The banks were to be founded in part with Government capital, thus making the Government a stockholder and in part a responsible manager of the bank's business. The Treasury would become a constant purchaser of the securities, and in time the Government would come to hold a vast volume of these bonds. These securities would thus be regarded as quasi public bonds, and their selling value would, in part at least, be a measure of our national credit.

I am not one of those that believe that the United States Treasury and the power of taxing the United States people ought to be put at the control and for the exclusive benefit of any class of our citizens. [Applause.] The United States commission in their report states that while such aid has proven beneficial to European agriculture, it was neither essential nor desirable under present conditions in the United States. After long consideration Senator HOLLIS abandoned the principle and struck section 30 from their bill. This elimination in the committee bill left but one important difference between the two measures. It is these successive changes to which the gentleman from Ohio referred in his remarks as constituting important amendments in the Bulkley-Hollis bill. I call particular attention of the House to the very important fact that these changes were from the position originally assumed by the Banking and Currency Committee toward that occupied by the United States commission, thereby bringing the two bodies nearly in harmony as regards their recommendations on this important subject. The one remaining point of difference was with reference to the administrative form or structure of the proposed banks. The bill presented by the commission was fashioned after the national banking law, which, as you know, created a system of independent banks. We gave preference to a decentralized banking system. The Banking and Currency Committee selected the scheme embodied in the Federal reserve act, which is that of a federated banking system consisting of a central bank and associated local banks or societies.

There is no compromise possible between these two antagonistic ideas. Senator HOLLIS believes as earnestly that a central institution, with large capital and the prestige which goes with such an institution, is the better type of instrumentality, as I do that an independent institution should be preferred. In reporting out this substitute neither the Banking and Currency Committee of the Senate nor the Agriculture Committee of the House attempted to determine that controversy.

The difference was eliminated by simply broadening the provisions of the bill so as to permit banks to be organized under either scheme. If the substitute be adopted by the Congress, it will leave the question of superiority to the arbitrament of actual service. The better system will win in the open competition for the business which the new system is organized to transact. I regret that the gentleman from Ohio [Mr. BULKLEY] is not willing to accept this compromise. If his ideas are the better, he should be willing to await the triumph which will surely come with the actual demonstration of that superiority in actual practice. It is possible that each system will possess advantages in meeting the varying local conditions which are to be met in the wide area of our Republic. If so, then each section or State can organize under that type which best suits its requirements. This action disposed of all differences between the United States commission bill and the bill presented by the Banking and Currency Committee, and that is why I am standing here in favor of the substitute. I consider it one of the greatest honors that can come to any man that he shall be sent abroad by his Government to make a study of foreign conditions and to frame a bill on a subject of interest to millions of people, absolutely creating a new banking system, and that he shall live to stand on the floor of this House when a committee of the United States Senate shall report a bill favorably—yes, unanimously—containing absolutely every essential feature of his original bill. [Applause.]

Frankly, I would appreciate the honor if this bill bore the names of its real authors, but I am content with the personal satisfaction which comes from the growth and adoption of our ideas by those who are charged with the particular duties of framing legislation for this great legislative body. If this substitute shall be adopted, it will create two different systems of mortgage banks, each having the same powers and limitations, discharging the same functions, and each receiving practically the same encouragement from the Government. It is true that the capital stock of the central banks, under the Hollis scheme, is to be subscribed by the Government; but the limitation is written in the bill, so this stock ownership is purely tempo-

rary, as this Government stock is transferred to the local associations as they may be formed under the growth of the system. No direct Government aid is extended to either of the proposed systems, but it is confidently believed that the bill will comprise the most favorable conditions with all the advantages and prestige which organization, supervision, and friendly administration of the United States Government can give. This legislation will permit the farmers of the country in every State in the Union to organize themselves into corporations and put their securities on the markets of the United States on as favorable terms as any other corporation in the Nation.

The Pennsylvania Railroad is to-day selling \$40,000,000 of bonds at 4½ per cent interest. These bonds are taxable as personal property. This well illustrates the advantages which the corporate plan give to those who may wish to borrow large sums of money. This corporation is retiring an issue of 3½ per cent bonds which were issued some years ago on a more favorable money market. By this substitute we are proposing to permit the farmers in any county or State in the Union to organize their own corporation. Under such conditions they can sell their bonds at a lower rate than the railroads, because these securities are exempt from taxation under the provisions of this bill.

Mr. BATHRICK. Mr. Chairman, will the gentleman yield?

Mr. MOSS of Indiana. No; not at the present moment. I am proud to stand here as a sponsor for this bill, and I do not want any man in this Congress to understand that I am either a banker or that I have any interest in a bank. I am one of those who have borrowed at a bank, and that is the reason I am so intensely interested in this legislation. I am proud to stand on this floor behind a bill that will enable those who now work on farms and those who will work on the farms in the next generation to organize corporations that they may sell their credits on the markets of this country under as favorable conditions as any securities can be sold in the United States. [Applause.]

Upon that statement I am willing to go before the people of my district; I am willing to stand upon it before the people of my State, and I am willing here to say to this Congress that this legislation will give to agriculture the greatest advantage that legislation can possibly bestow. I deny the fact, and if I had time I could prove it, that Government aid has ever been able to reduce the interest rate of any country in the world below that which is afforded by private initiative. It is easily possible to show that banks, privately managed and endowed with private capital, without other vestige of Government aid than that which comes from governmental supervision and control, have been able to give the farmers of a nation as low an interest rate as any Government-aided institution in that nation was able to give them. I challenge any man to point out any concrete illustration of any nation on the face of the earth where governmental aid has been able to reduce the interest rate below that maintained by private initiative. This substitute is not a bill that has not been carefully considered.

I am glad my friend from Ohio admits that it had been carefully considered. Of course it has been carefully considered, and if section 30 were in the bill I have no doubt he would be willing to accept it. The gentleman says he proposes to offer an amendment to strike out section 17. This is the compromise section which harmonizes the ideas of the commission with those of the committee. The gentleman is very willing to accept the fundamental principles enunciated by us, but eagerly desires to take away all of the administrative features that have been adopted by the United States commission. He would deny the power to any individual or of any association of persons to organize an independent bank in any State of the Union. In this method and by this amendment he would stifle all competition among institutions which are organized to serve the interests of the farmers. Under the Hollis bill it is proposed to grant absolute territory, and when a bank is organized in a county it is made to assume the whole duty of loaning in that territory. Now, my friends, when you come—

Mr. BULKLEY. Will the gentleman yield? I desire to say to the gentleman that is inaccurate; there is no such proposition in the Hollis-Bulkley bill.

Mr. MOSS of Indiana. I recognize what my friend means to say. The gentleman means to say they could grant permission to two banks in the same county if they wanted to do so.

Mr. BULKLEY. Certainly.

Mr. MOSS of Indiana. But it is not intended to do it.

Mr. BULKLEY. Yes; if needed.

Mr. MOSS of Indiana. I do not accept that interpretation of the language of the bill, but out of the very great deference I feel for the gentleman from Ohio I withdraw that statement,

and I will say instead that under the Hollis bill the local association that takes the mortgage can not dispose of it by any other method except to sell it to another local association organized under this bill or send it to the central bank for rediscount; and if there was a man standing at the doors of one of these banks with gold in his pockets he could not buy a mortgage under this system. You take away absolutely all power from private initiative or private capital to engage in the business in any way except through the regular channel of the bill. There are other good reasons for their viewpoint why competition should be eliminated.

Read the Hollis bill, and you will find that under its provisions the bank must charge the farmers 1 per cent for administration. That rate is fixed in the bill, and can not be altered, and yet under the section he moved to strike out "These private banks are permitted to charge not more than 1 per cent." The Hollis bank is not permitted to charge less than 1 per cent, while the private bank may not charge more. In Europe the ordinary administrative charge is thirty-five one-hundredths of 1 per cent. Under the Hollis bill the administration is fixed at 1 per cent, and it can not be lowered.

Mr. BULKLEY. Of course the gentleman knows that that all goes back to the borrower as an owner of the bank?

Mr. MOSS of Indiana. I know that the borrower has a remote chance to recover some part of only one-half of it. Then there is another remarkable provision in the Bulkley bill. Before any farmer can negotiate a loan, he must either put up 5 per cent of his loan in cash or else increase the mortgage on his farm to that extent. Any farmer who wants to borrow \$2,000 under that bill must either make a cash stock subscription of \$100 or he must give a mortgage for \$2,100. Is it surprising that those who favor such a bill are opposing a proposal to permit private capital to loan a man \$2,000 and take a mortgage for \$2,000?

Mr. BATHRICK. Mr. Chairman, will the gentleman yield?

Mr. MOSS of Indiana. Not at the present time; and because of the fact that we propose to permit a bank to fix its own charges—fixing a maximum rather than a minimum—thereby not compelling the farmer to pay a maximum rate of 1 per cent, because we propose to permit a bank to make a loan to a farmer without compelling him to add 5 per cent to the face of the loan and pay interest upon it, it is seriously contended here that such action is inimical to this wonderful State-aided institution which it is proposed to charter. It is an open confession that it can not stand competition and can not give the best possible service to our farmers. These provisions of the original Bulkley-Hollis bill have been under consideration for nine long months and by a unanimous vote of the Banking and Currency Committee of the Senate were stricken from the bill. The proposed amendment is to restore to the bill those sections which could not stand the test of criticism and which were eliminated in the process of perfecting the bill.

Now, my friends, in conclusion—how much time have I remaining, Mr. Chairman?

The CHAIRMAN. The gentleman has seven minutes remaining.

Mr. MOSS of Indiana. Let us take up the technique of this proposition. Under the Hollis administrative features—and I want you to remember that there are two separate and distinct administrative systems included in this substitute—there would be 12 central banks organized, one in each Federal reserve district, with a capital of \$500,000; and unless that capital is subscribed by private initiative within 90 days it must be subscribed by the Secretary of the Treasury, on behalf of our Government. This Treasury stock is transferred to newly formed local associations, so that the ownership of the United States Government in capital stock is only temporary. The functions of the central bank are chiefly that of rediscounting farm mortgages taken by the local associations, and the negotiation of land bonds based on these rediscounted farm mortgages. Local associations may be organized with a minimum capital of \$10,000, to make loans in such territory as may be assigned to them under their charters. A single county or contiguous counties may be named in their charters. The only disposition which any local association can make of a mortgage is either to sell it to another local, or send it to the central bank for rediscount.

Thus, the central bank is given the power to issue bonds, while the local association is limited to appraising the land and arranging terms with the borrower.

Section 17 of this bill gives the authority to grant charters to independent banks. The words "private banks" have been used in this debate as though there were two classes of ownership. The stock ownership of all banks organized under this bill is purely private, and in no proper use of the term are any

of the banks cooperative. It is proposed to permit an independent bank to organize with a capital of \$250,000. These banks will make their loans direct to the farmers anywhere in the State where they may be organized under the supervision of the United States Government. The borrower is not compelled to purchase any capital stock or to assume any degree of liability beyond the face of his note. The bank also has the same right to issue bonds, dollar for dollar, on the security of their loans that the Federal reserve banks, under the other system, have. Thus the two systems are on a plane of absolute equality before the law. Does any Member desire to prevent private initiative, or deny to private capital and private initiative of this country, all opportunity to assist in the great work of financing the agriculture of our Nation? Does anyone care to say that a man can not back his own capital with his own judgment? Do you want to say that you will, by provision of Federal law, make it impossible for any man or associations of men to organize a bank and take advantage of the exemptions from all taxation and other exemptions under this bill?

Mr. PLATT. Does the gentleman think these farm-bond banks, as taken from the Moss bill, would be organized alongside of the Federal land banks, which are allowed to have Government money?

Mr. MOSS of Indiana. The Federal land banks do not have Government money. It is not only my judgment that such banks will be organized, but it is my judgment that they will absolutely monopolize the field in this country, and that, in my opinion, is the reason the gentleman from Ohio wants to strike them from the bill. If it were not his opinion that the proposed independent banks will have decided economic advantages over the other, what would impel him to offer his proposed amendments? Is it solely his pride of authorship that not a single change shall be made in his individual offering?

Mr. J. M. C. SMITH. Are you in favor of equal interest in every part of the country? What effect will the rate of interest, being the same, have in different parts of the country?

Mr. MOSS of Indiana. Neither bill guarantees that there shall be equal interest; the statement is that there shall be nearly as equal rates as may be possible. My opinion is that this legislation will tend to lower rates of interest; to stabilize them, and in the end, to equalize them.

Now, just a word about the McCumber proposition. In addition to the defects which have been so ably pointed out by the gentleman from Iowa [Mr. PROUTY], the measure is, in no proper sense of the term, a rural credit bill. It contains no proposition whatever for amortization. All that is possible under its terms is to negotiate loans for a term of 10 years. You can not borrow money under it for 9 years or for 15 years. Its system of administration is that of any broker in farm mortgages, who loans on coupon notes, with a provision for compound interest at the close of any interest period.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LEVER. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman can not offer an amendment until the McCumber amendment is read.

Mr. HOWARD. Will this bill be read section by section for the purpose of offering amendments to the section?

The CHAIRMAN. The McCumber amendment will be offered as a whole, and after it is read it will be read for amendment.

Mr. LEVER. I am speaking of the committee amendment, known as the Hollis bill.

Mr. MANN. The committee amendment, Mr. Chairman, presents itself before the House without being offered, under the practice.

The CHAIRMAN. Of course, you have first to read the Senate amendment and then the committee amendment.

Mr. LEVER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. LEVER. Will it be in order to ask unanimous consent to dispense with the reading of the McCumber amendment? We read that this morning.

The CHAIRMAN. It will be in order.

Mr. LEVER. Mr. Chairman, I ask unanimous consent to dispense with the reading of the McCumber amendment.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent to dispense with the reading of the McCumber amendment. Is there objection?

Mr. WINGO. I object, Mr. Chairman.

The CHAIRMAN. The Clerk will report the McCumber amendment.

The Clerk read as follows:

Amendment No. 89: Page 73, after line 10, insert: "That there is hereby created in the Treasury Department a bureau to be known as the bureau of farm credits. Said bureau shall be presided over by an officer who shall be designated commissioner of farm

credits. The Secretary of the Treasury shall provide for sufficient clerical force to perform the duties of said bureau.

"That there is hereby appropriated and set aside for the use of said bureau, in the manner hereinafter provided, the sum of \$10,000,000, or so much thereof as may be necessary.

"That the said sum so provided shall be used for the purpose of purchasing notes secured by first mortgages on agricultural lands, as hereinafter provided, for stationery and clerical expenses, and such other expenses as may be incident to the business of said bureau.

"That every national bank and every State bank desiring to avail itself of the privileges herein provided are hereby created and declared to be agencies of the Treasury Department for the purpose of receiving from mortgagor notes and mortgages securing same, advancing the moneys to the said mortgagors and transmitting said notes and mortgages to the bureau of farm credits, and receiving in return therefor the amount advanced to the mortgagor by the said bureau.

"That it shall be the duty of the Secretary of the Treasury to apportion the sum hereby appropriated among the several States according to the agricultural population, importance of the agricultural productions of each State, and percentage of agricultural lands incumbered by mortgages or trust deeds, and to pay for such notes and mortgages as may be presented to the extent of the amount apportioned to any State.

"That any owner of agricultural lands within the United States, who is living upon and farming such lands, desiring a loan under the provisions of this act, shall execute a promissory note due in 10 years, bearing interest at the rate of 5 per cent per annum, interest payable annually, which interest shall be evidenced by 10 coupon notes attached to said principal note, and which coupons shall also bear interest at the rate of 5 per cent per annum from the date of maturity until paid, payable annually. Said note shall also provide that the principal may be paid on any interest-paying day after the expiration of five years. Said note shall be secured by a first mortgage upon the lands so farmed by the owner, and executed and recorded in the manner provided by the laws of the State in which the land is situated, for the execution and recording of mortgages on real estate. Such mortgage shall be accompanied by an application for loan, which application shall recite the purpose for which the loan is desired, the market value of the land, the value at which it was last assessed for taxation, the value and kind of buildings thereon, the number of acres under cultivation, the character and quality of the soil, the number of acres capable of being cultivated, and such other information as may be required by the rules of the said bureau. Said application shall have attached thereto or made as a part thereof an affidavit signed by the owner and at least two neighbors who are thoroughly acquainted with land values in the vicinity, stating the market value of such lands and the market value of the particular lands to be mortgaged. Said note, mortgage, and application shall also be accompanied by an abstract of title duly certified by the laws of the State to make and certify abstracts of lands, which abstract shall show no other mortgages, judgments, delinquent taxes, or other liens of any character against the said lands, unless the purpose of the loan is to secure money to cancel such liens. Said owner shall then present to any national bank or State bank accepting the provisions of this act the said loan papers. The said abstract and papers shall be carefully examined by the president, cashier, or other officer of the bank for the purpose of ascertaining whether the title is perfect in the mortgagor, whether the land is affected by any liens, who shall certify the result of his examination of the abstract, and who shall further certify what in his opinion and judgment is the actual cash selling price of the land. And no mortgage shall be accepted for a greater amount than one-half of the value of such lands, including improvements; nor in any event to an amount exceeding one-half of the actual market value thereof. The said bank may charge the borrower for its services in examining papers and abstract, and in forwarding the papers to the bureau of farm credits a sum not exceeding 1 per cent of the amount of the mortgage. No mortgage shall be less than \$300 nor more than \$10,000 to one person or company, and shall be in multiples of \$100. The said notes and mortgages shall not be dated at the time they are executed and presented to the bank. The said bank shall forward all the said papers to the said bureau of farm credits, which bureau shall examine the abstract, note, mortgage, and application, and if said abstract shows the land to be clear or to have no liens of greater amount than the amount desired to be loaned, and all papers properly executed, it shall remit to the bank forwarding the papers the amount of the loan, and shall date the notes and mortgage the date on which the remittance is made, from which date interest shall begin to accrue; and all coupons shall be dated to correspond with the date affixed to the principal instrument; and said bureau shall return with the remittance, the abstract of title. Upon receipt of the said abstract of title by the bank, said bank shall require the abstract to be continued up to date of payment by said bank to the borrower, and if said abstract after being continued shows the land clear, the bank shall indorse over to the borrower the remittance made by the bureau of farm credits. If there are any liens upon the land, the bank, out of the remittance, shall first pay and have canceled such liens and pay the balance to the borrower. The bank shall be held responsible for any negligence in the performance of its duties as agent of said bureau. The principal and all interest coupons shall be payable at the bank where and through which the loan is negotiated and remitted by said bank to said bureau.

"That whenever the bureau of farm credits shall have received such mortgages to the extent of \$1,000,000 it shall issue bonds in the name of the United States, payable in 20 years, and bearing 4½ per cent interest, payable annually, with the privilege and option of the said bureau to pay the principal at the expiration of 10 years. Said bonds shall be issued in denominations from \$100 to \$500 each, and the said commissioner of farm credits shall sell the said bonds for the face value thereof to any persons applying therefor, preference being given to those desiring small investments. Said bonds shall not be subject to taxation by the United States, a State, or municipality. All moneys received by the said commissioner in the sale of bonds and the principal and all interest paid on said mortgages shall be covered into the said fund of \$10,000,000 and used in the payment of mortgages as they may be presented, the expenses of the bureau, the interest on bonds, and payment thereof at maturity.

"That all mortgages shall run to the commissioner of farm credits, and said commissioner shall have all the rights and authority of a mortgagee under the laws of the State wherein such mortgage is executed.

"That all taxes of every kind levied by a State or municipality which may become a lien prior to said mortgage shall be paid by the mortgagor at least 30 days prior to the time such lands could be sold

for delinquent taxes. Upon his failure to do so, or to pay any other lien that may attach to said lands and become superior to said mortgage, the commissioner may pay the same, and the mortgage shall stand as security for such sums so paid and interest thereon at 8 per cent per annum. And said mortgage shall further provide that in default of the payment of any interest or the payment of taxes, or other superior liens, as aforesaid, the commissioner may foreclose the premises pursuant to the laws of the State in which the land is situated. All papers necessary for the foreclosure proceedings shall be prepared and premises foreclosed by the proper law officer of the bureau. In lieu of foreclosure the commissioner may sell the mortgage to any person desiring to purchase the same, without recourse, and the money so received shall be covered into the said fund. Upon foreclosure the said commissioner may transfer and assign the certificate of sale to any purchaser, and after the period of redemption has expired may sell the lands. And any sum received therefor shall in like manner be covered into said fund.

"That it is the purpose of this act not only to secure and facilitate borrowing upon agricultural lands at a reasonable rate of interest, but also to afford a means for those who desire a safe investment, and so long as the said bureau shall be able to dispose of bonds at par it shall accept mortgages presented to any extent above the \$10,000,000 hereby appropriated.

"That said bonds shall be negotiable in form and transferable by indorsement, and may be bought and sold by Federal reserve banks under the provisions of sections 13 and 14 of the Federal reserve act approved December 23, 1913, and may also be received as collateral for the issue of Federal reserve notes under the provisions of section 16 of said act.

"That the word 'mortgage' shall be construed to include deeds of trust or any other instruments of security on agricultural lands.

"That the Secretary of the Treasury shall make all needful rules and regulations to carry out the provisions of this act.

"That this act shall take effect from and after its passage and approval."

Mr. UNDERWOOD. Mr. Chairman, is it not now in order to report the committee amendment first?

The CHAIRMAN. The gentleman from Alabama [Mr. UNDERWOOD] asks if it is not in order to report the committee amendment first.

Mr. LEVER. Mr. Chairman, I ask that the committee amendment be reported.

Mr. WINGO. Mr. Chairman, I make the point that there is no quorum present.

The CHAIRMAN. The gentleman from Arkansas [Mr. WINGO] makes the point that there is no quorum present. The Chair will count. [After counting.] One hundred and fifty-one Members are present—a quorum. The Clerk will read the committee amendment.

The Clerk read as follows:

Committee amendment: In lieu of the matter presented by the Senate amendment, insert the following: "That the short title of this act shall be 'The Federal loan act'."

Mr. BATHRICK. Mr. Chairman, I ask unanimous consent that the reading in full of the amendment be dispensed with. I ask that it be read by title.

The CHAIRMAN. The gentleman from Ohio [Mr. BATHRICK] asks unanimous consent to dispense with the reading of the amendment, and asks that it be read by title.

Mr. WINGO. I object, Mr. Chairman.

The CHAIRMAN. The gentleman from Arkansas objects.

Mr. WINGO. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. While the Senate amendment is considered as one proposition, the amendment of the committee is such that we are entitled to consider it section by section and paragraph by paragraph.

The CHAIRMAN. The gentleman is not correct in that view.

Mr. WINGO. Do I understand we are obliged to vote a committee amendment up or down, or else offer "pot" amendments to it?

The CHAIRMAN. The gentleman can offer amendments to the committee amendment or to the Senate amendment.

Mr. BATHRICK. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BATHRICK. Has the reading of the committee amendment been suspended?

The CHAIRMAN. No. The gentleman from Arkansas [Mr. WINGO] objected. The Clerk will read.

Mr. BATHRICK. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. BATHRICK. I desire to offer a substitute. Can that be offered before the amendment is read?

The CHAIRMAN. The gentleman can not offer a substitute until the committee amendment is read. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: In lieu of the matter submitted by the Senate amendment insert the following:

"That the short title of this act shall be 'the Federal farm loan act,' and its administration shall be under the control and direction of the Federal Farm Loan Board created under the terms of this act.

"DEFINITIONS.

"SEC. 2. That wherever the term 'first mortgage' is used in this act it shall be held to include such classes of first liens on real estate as

shall be approved by the Federal Farm Loan Board, and the credit instruments secured thereby. The term 'farm loan bonds' shall be held to include bonds issued by Federal land banks or Federal farm bond banks, which are secured by first mortgages deposited as collateral security with a Federal reserve agent.

"FEDERAL FARM LOAN BOARD.

"SEC. 3. That a Federal farm loan board is hereby created which shall consist of three members, including the Secretary of the Treasury and the Secretary of Agriculture, who shall be members ex officio, and a farm loan commissioner appointed by the President of the United States, by and with the advice and consent of the Senate. Said farm loan commissioner shall be a citizen of the United States, and shall devote his entire time to the business of said Federal Farm Loan Board. He shall receive an annual salary of \$12,000, payable monthly, together with actual necessary traveling expenses. He shall not be a stockholder or officer in any bank, trust company, or financial institution of any sort.

"Said farm loan commissioner shall act as chairman and active executive officer of said board. He shall be assigned offices for himself and his assistants and employees in the Department of the Treasury by the Secretary of the Treasury. Within 15 days after notice of his appointment he shall make and subscribe to the oath of office. The President shall have power to fill any vacancy occurring in the office of farm loan commissioner during the recess of the Senate by granting a commission which shall expire 30 days after the next session of the Senate convenes.

"Said Federal Farm Loan Board shall be authorized and empowered to employ such attorneys, experts, assistants, clerks, or other employees as it may deem necessary to conduct the business of said board. All salaries and fees shall be fixed in advance by said board and shall be paid in the same manner as the salary of the farm loan commissioner. All such attorneys, experts, assistants, clerks, and other employees shall be appointed without regard to the provisions of the act of January 16, 1883 (vol. 22, United States Statutes at Large, p. 403), and amendments thereto, or any rule or regulation made in pursuance thereof: *Provided*, That nothing herein shall prevent the President from placing said employees in the classified service.

"The said farm loan commissioner shall from time to time, as determined by the Federal Farm Loan Board, require examinations and reports of conditions of all national farm loan associations and Federal land banks established under the provisions of this act, and consolidated statements of the results thereof shall be published. He shall cause to be made appraisals of farm lands as provided by this act, shall prepare and publish amortization tables for use by national farm loan associations, and examine and give his opinions upon the laws of the several States relating to mortgage loans. He shall perform such other duties as said board may assign.

"The said commissioner shall prescribe a form for statement of condition of farm loan associations and Federal land banks, which shall be filled out quarterly by each such association or bank and transmitted to him, and such statements shall be public records.

"NATIONAL FARM LOAN ASSOCIATIONS.

"SEC. 4. That associations to be known as national farm loan associations for carrying on the business of lending on farm-mortgage security under this act may be formed by any number of natural persons, not less in any case than five. They shall enter into articles of association, which shall specify in general terms the object for which the association is formed and the county or counties within which its operations are to be carried on, and may contain any other provisions, not inconsistent with law, which the association may see fit to adopt for the regulation of its business and the conduct of its affairs. These articles shall be signed by the persons uniting to form the association, and a copy of them shall be forwarded to the farm loan commissioner, to be filed and preserved in his office.

"Upon receiving an application to charter a national farm loan association the farm loan commissioner shall make an examination of the need for such association and of the land values and density of population of the county or counties named as the operating territory of the national farm loan association applying for charter. He may send an inspector to investigate and report thereon, and, if he shall deem best, may grant the said application. In such event he shall designate a county or group of contiguous counties as a farm loan district for such association under the provisions of this section.

"The persons uniting to form a national farm loan association under this act shall, under their hands, make an organization certificate, which shall specifically state:

"First. The name assumed by such association, which name shall be subject to the approval of the farm loan commissioner.

"Second. The State and county, or group of contiguous counties, within which its operations are to be carried on, and the particular city, town, or village at which its principal office is to be located.

"Third. The amount of capital stock and the number of shares into which the same is to be divided.

"Fourth. The names and places of residence of the stockholders and the number of shares held by each of them.

"Fifth. The fact that the certificate is made to enable such persons to avail themselves of the advantages of this act.

"The organization certificate shall be acknowledged before a judge of some court of record or notary public, and shall be, together with the acknowledgment thereof, authenticated by the seal of such court or notary, transmitted to the farm loan commissioner, who shall record and carefully preserve the same in his office, where it shall be at all times open to public inspection.

"Upon duly making and filing articles of association and an organization certificate the association shall become, as from date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have power—

"First. To adopt and use a corporate seal.

"Second. To have succession for the period of 50 years from its organization, unless it is sooner dissolved according to the provisions of its articles of association or by the act of its shareholders owning two-thirds of its stock or by act of Congress, or unless its franchise becomes forfeited by some violation of law.

"Third. To make contracts.

"Fourth. To sue and be sued, complain and defend, in any court of law or equity, as fully as natural persons.

"Fifth. To elect or appoint directors, and by its board of directors to elect a president and a vice president, appoint a secretary-treasurer and other officers and employees; define their duties; require bonds of them and fix the penalty thereof; by action of its board of directors dismiss such officers and employees or any of them at pleasure and appoint others to fill their places.

"Sixth. To prescribe, by its board of directors, subject to the oversight and regulation of the farm loan commissioner, by-laws not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected, its officers elected or appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

"Seventh. To exercise, by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business herein described.

"But no farm-loan association shall engage in any transactions except such as are incidental and necessarily preliminary to its organization until it has been authorized by the farm loan commissioner to commence business.

"CAPITAL STOCK.

"SEC. 5. That the capital stock of each national farm-loan association shall be not less than \$10,000 and shall be divided into shares of \$25 each.

"Every stockholder shall be entitled to 1 vote on each share of stock held by him at all elections of directors and in deciding all questions at meetings of stockholders: *Provided*, That the maximum number of votes which may be cast by any one stockholder shall be 10.

"Whenever the board of directors of any farm-loan association shall so authorize, said association shall permit individuals to subscribe for shares therein on a partial payment, or building and loan association, plan, by making a cash payment of 10 per cent of the face value of such shares, and entering into a written agreement to make further payments for such shares at stated periods until such shares are fully paid for.

"Said written agreement shall provide in appropriate terms:

"First. That additional partial payments of a stated amount shall be made monthly, quarterly, semiannually, or annually, on definite days, to an amount not less in any one year than 10 per cent of the face value of the shares subscribed for.

"Second. That any subscriber who neglects to make payments as prescribed in said agreements shall be subject to a fine of 2 cents per month upon each dollar of arrears.

"Third. That if any member is in arrears for any payment for a period of six months, the board of directors may, upon 30-days' notice, in writing, declare his stock forfeited, and the value of his interest in said association shall be determined by reckoning the total amount of payments made, adding thereto any accrued dividends, deducting therefrom any fines imposed and unpaid, his equitable share of any losses, and a further sum equal to 10 per cent of his gross payments as a withdrawal fee. If the amount so determined is less than \$25, it shall be forfeited to the association, unless said subscriber shall add thereto in cash a sum sufficient to make up \$25, and in such event said subscriber shall receive a certificate for one share of stock. If the amount so determined is \$25 or more, said subscriber shall receive a certificate for as many shares as said amount entitles him to, forfeiting any fractional part of a share, or at his option subscribing additional cash to make up the amount required for an additional full share, which he shall then receive.

"Fourth. That if any subscriber shall wish to avail himself of withdrawal privileges before his shares are fully paid in, he shall be entitled to do so by giving to the board of directors one month's notice in writing; upon the expiration of said month he shall be entitled to receive certificates of stock to which he is entitled upon the same basis herein provided for forfeiture of stock. The assignment of such shares may be permitted in the discretion of the directors.

"Except as herein specifically provided, no certificates of stock shall be issued to any subscriber unless fully paid in. Whenever payments and dividends on shares subscribed on the partial-payment plan amount to \$25 each, the subscriber shall receive a certificate for the face value of such shares, together with an amount in cash equal to any excess that may be credited to said subscriber on account of said shares. Every such subscriber shall be entitled to dividends upon a number of shares whose value shall equal the total sum paid in by such subscriber prior to any dividend period, but no dividend shall be allowed on fractional parts of a share. The farm loan commissioner shall prescribe rules and regulations for partial-payment shares in each Federal land bank district, not inconsistent with this act, and containing equitable provision for—

"First. The adjustment of losses and of dividend credits;

"Second. The imposition of fines for default in payments;

"Third. The forfeiture and withdrawal of shares or of payments therefor upon default or failure to pay duly imposed fines;

"Fourth. Any additional provisions necessary to carry out the purposes of this section.

"At least 50 per cent of the capital stock of every farm loan association shall be paid in cash before any such association shall be authorized to begin business; and the remainder of the capital stock of such association may, at the discretion of its incorporators, be paid in first mortgages upon lands of the subscribers of the character described in section 8 of this act, without the restrictions provided in the sixth paragraph thereof.

"At least 5 per cent of said capital at the time of organization shall be invested in United States bonds.

"No person shall be permitted to borrow funds from a farm loan association unless he shall first become a member of such association, owning stock therein of a paid-in value amounting to one full share, at least, and not less than 5 per cent of the sum borrowed. If such person is not at the time of his application for a loan a member of said association, or if, being a member, his stock has not sufficient paid-in value to meet the requirements of this section, he shall make application for enough stock to fulfill said requirements. If such application for a loan and for stock is granted, the stock thus applied for shall be issued to the applicant simultaneously with the proceeds of the loan, and the face of the mortgage may, if desired, cover both the amount of the loan granted and the par value of the stock applied for. The par value of the stock applied for shall be in addition to the amount of the permitted maximum loan specified in section 8 of this act.

"Whether the applicant for a loan shall be at the time of the application the owner of sufficient paid-in capital stock to entitle him to a loan, or whether he shall apply for stock in order to meet the requirements of this section, his stock, to the amount of at least one share, and not less than 5 per cent of the amount of the loan, shall be pledged to the association as a part of the security for said loan, but any dividends thereon shall be paid to the mortgagor. When said loan is paid in full the mortgage shall be discharged and the certificate of stock shall be delivered to the mortgagor.

"Every farm loan association formed under this act shall by its articles of association provide for an increase of its capital stock from time to time for the purpose of acquiring additional cash funds or of providing for the issue of shares to borrowers and others in accordance

with the provisions of this act. Such increase shall be included in the quarterly reports to the farm loan commissioner.

"Any farm loan association formed under this act may, by the vote of stockholders owning two-thirds of its capital stock, reduce its capital to any sum not below the amount required by this act to authorize the formation of such associations; but no reduction shall be allowable which will reduce the capital stock of the association below one-twentieth of the amount unpaid on outstanding mortgages indorsed by it, nor shall any such reduction be made until the amount of the proposed reduction has been reported to the farm loan commissioner and his approval thereof obtained.

"OFFICERS AND DIRECTORS OF FARM LOAN ASSOCIATIONS.

"SEC. 6. That every farm loan association shall elect, in the manner prescribed for the election of directors of national banking associations, not less than five directors, who shall hold office for the same period and under the same conditions as directors of national banking associations: *Provided, however,* That the ownership of five shares of stock, fully paid in, shall qualify for director. It shall be the duty of said board of directors to choose in such manner as they may prefer a secretary-treasurer, who shall receive such compensation as the said board of directors shall determine. The board of directors aforesaid shall elect a president and a vice president of the association, who shall serve without compensation unless the payment of salaries to them shall be approved by the farm loan commissioner. All officers and directors shall, during their term of office, be bona fide residents of the territory within which the association is authorized to do business.

"Every president, director, secretary, clerk, or agent of any farm loan association or Federal land bank who embezzles, abstracts, or willfully misapplies any moneys, funds, or credits, or who without authority from the directors draws any order, assigns any note, bond, draft, mortgage, judgment, or decree, or who makes any false entry in any book, report, or statement of such association or land bank with intent in either case to defraud such institution or any other company, body politic or corporate, or any individual person, or to deceive any officer of a farm loan association or land bank or any agent appointed to examine into the affairs of any such association or bank, and every person who with like intent aids or abets any officer, clerk, or agent in any violation of this section, shall be deemed guilty of a misdemeanor and shall be fined not exceeding \$5,000 or imprisoned not exceeding five years, or both.

"It shall be the duty of the board of directors of every farm loan association, within 30 days of its election, to appoint two of its members to serve as members of an 'appraisal committee.' The said committee shall consist of the two members aforesaid, and one to be appointed by the directors of the Federal land bank of the district, who shall be a resident of the farm loan district for which he is acting, but who shall not be a stockholder in any farm loan association or Federal land bank. The names of the said committee shall be transmitted to the farm loan commissioner and shall be kept on file in his office. Every farm loan association shall pay to the nonstockholding member of the appraisal committee a compensation which shall be determined by the farm loan commissioner. The farm loan commissioner, subject to appeal to the Federal farm loan board, shall have power at any time to remove any member of the appraisal committee of any farm loan association and to order the appointment of a successor. Such successor need not necessarily be a member of the board of directors.

"It shall be the duty of the secretary-treasurer of every farm loan association to act as custodian of its funds and to deposit the same in such bank as the board of directors may designate, to disburse all payments which shall have been authorized in making loans to borrowers upon first mortgages on farm land situated as in this act prescribed, and to meet all other obligations of the association, subject to the orders of the board of directors, and in accordance with the by-laws of the association. The said secretary-treasurer shall likewise collect, receipt for, and in proper cases transmit to the Federal land bank all payments of interest, amortization installments, or principal arising out of the loans made by the association. He shall be the custodian of the securities, records, papers, certificates of stock, and all documents relating to or bearing upon the conduct of the affairs of the said association."

Mr. WINGO. Mr. Chairman, I make the point that there is no quorum present.

The CHAIRMAN. The gentleman from Arkansas makes the point that there is no quorum present. The Chair will count. [After counting.] One hundred and fifty-five Members are present, a quorum. The Clerk will proceed.

The Clerk proceeded with the reading of the committee amendments, as follows:

He shall furnish a suitable bond to be prescribed and approved by the farm loan commissioner for the proper performance of the duties imposed upon him under this act. He shall make a quarterly report to the farm loan commissioner upon forms to be provided for that purpose. Upon request from the said commissioner the said secretary-treasurer shall furnish information regarding the condition of the farm loan association for which he is acting and shall carry out the duly authorized orders of said commissioner. He shall assure himself from time to time that the loans made by the farm loan association, of which he is an officer, have been applied to the purposes set forth in the application of the borrower as approved.

POWERS OF LOAN ASSOCIATIONS.

SEC. 7. That every farm loan association shall have power:

First. To make loans of current funds secured by first mortgages on farm lands situated within the farm loan district in which such association shall be situated, subject to the provisions of this act.

Second. To buy from any other farm loan association indorsed first mortgages of which such association may have become possessed under this act, or to sell to such association its own indorsed mortgages.

Third. To buy and sell farm loan bonds in this act authorized.

Fourth. To buy and sell United States bonds.

Fifth. To acquire and dispose of—

(a) A suitable banking house for the transaction of its own business.

(b) Parcels of land acquired in satisfaction of debts or purchased at sales under judgments, decrees, or mortgages held by it. But no such association shall hold title and possession of any real estate purchased or acquired to secure any debts due to it for a longer period than five years, except with the special approval of the farm loan commissioner in writing.

Sixth. Against deposits of current funds, to issue certificates in any amount, bearing interest not to exceed 4 per cent per annum, after six

days from date, convertible into farm loan bonds when presented at the land bank of the district in any multiple of \$100; such deposits when received shall be transmitted to the Federal land bank of the district, and be invested by it in the purchase of farm loan bonds or first mortgages, as defined by this act; the mortgages thus purchased may be hypothecated with the Federal reserve agent against an issuance of farm loan bonds, as provided for in section 18 of this act, but such bonds when received, either by purchase or for issuance, shall not be delivered or issued except in exchange for and upon the presentation for redemption and cancellation of an equal amount of convertible certificates issued by a farm loan association, any difference under \$100 in such exchange being adjusted in cash. When thus redeemed and canceled such certificates shall be returned to the loan association which issued them.

RESTRICTIONS.

SEC. 8. That no farm loan association shall make loans except upon the following terms and conditions:

First. The said loans shall be secured by first mortgage on farm land within the farm loan district in which the association shall be situated.

Second. Every such mortgage shall contain an agreement for the payment of interest and for the reduction of the face of the loan so secured through annual or semiannual amortization payments.

Third. Every such mortgage shall run for a period of at least 5 years and for a period not exceeding 35 years.

Fourth. Every mortgage loan made under this act, for whatever period, shall provide for its extinguishment, at the option of the borrower, in whole or in part, at any date set for the payment of interest after five years from the date upon which the said loan was made, by the payment of cash or by the tender of farm loan bonds hereinafter provided for at their face value, all unmatured coupons being attached.

Fifth. The rate of interest charged for such loans shall not exceed the legal rate current in the State in which the farm land securing such loan is situated.

Sixth. Such loans may be made for the following purposes and for no other:

(a) To provide for the improvement of farm lands; the term "improvement" to be defined by the Federal farm loan board.

(b) To provide for the purchase of equipment and live stock necessary for the proper and reasonable operation of the farm; the term "equipment" to be defined by the Federal farm loan board.

(c) To provide for the purchase of a farm home.

(d) To liquidate indebtedness of the owner of the land mortgaged, existing at the time of the organization of the first farm loan association established in or for the county in which the land mortgaged is situated, or indebtedness subsequently incurred for one of the purposes above mentioned.

Seventh. No such loan shall exceed 50 per cent of the value of the land mortgaged, and 25 per cent of the value of the buildings thereon, the said value to be ascertained by an appraisal of the appraisal committee provided in section 6 of this act. In making said appraisal the actual earning power of said land shall be a principal factor.

Eighth. No such loan shall be made to any person who is not at the time, or shortly to become, a bona fide resident on the farm mortgaged, primarily engaged in the cultivation thereof. In case of sale of the mortgaged land the farm loan association may, in its discretion, declare the mortgage thereon due and payable, or permit said mortgage to be assumed by a purchaser qualified to borrow in his own right under the provisions of this act.

Ninth. No such loan shall in any case exceed a maximum of \$10,000 to any one borrower, nor 20 per cent of the capital and surplus of the association making such loan, nor shall the aggregate of outstanding loans indorsed by it be in excess of 20 times the capital and surplus of such association.

Tenth. Every applicant to a farm loan association for a loan under the terms of this act shall make application on a form to be prescribed for that purpose by the farm loan commissioner, and such applicant shall state, under oath, the objects to which the proceeds of said loan are to be applied, and shall afford such other information as may be required.

Eleventh. Every borrower shall undertake to pay when due all taxes which may be lawfully assessed against the land mortgaged, and to keep insured to the satisfaction of the farm loan commissioner all buildings the value of which was a factor in determining the amount of the loan. Insurance shall be made payable to the mortgagee as its interest may appear at time of loss, and, at the option of the mortgagor and subject to general regulations of the farm loan commissioner, sums so received shall be used to pay for reconstruction of the buildings destroyed.

Twelfth. Every borrower who shall be granted a loan under the provisions of this act shall enter into an agreement in form and under conditions to be prescribed by the farm loan commissioner that if the whole or any portion of his loan shall be expended for purposes other than those specified in his original application, or if the borrower shall be in default in respect to any condition of the mortgage, the said loan shall become due and payable forthwith.

No farm loan association shall buy or sell mortgages, or acquire title to real estate except as expressly authorized by section 7 of this act.

FEDERAL LAND BANK DISTRICTS.

SEC. 9. That for the purposes of this act the Federal farm loan board shall establish and announce districts in accordance with the principles laid down in the act of December 23, 1913, entitled "the Federal reserve act." Such districts shall be designated as Federal land bank districts, and the Federal reserve agent of each such district shall perform the duties herein assigned to him in carrying into effect the purposes of this act. The said districts shall be equal in number to the Federal reserve districts established under said act of December 23, 1913, but shall not necessarily be coterminous with the said Federal reserve districts. No land bank district shall contain a fractional portion of any State. The Federal land bank of each district shall have its home office in any city of such district which may be designated by the Federal farm loan board.

POWERS OF FEDERAL FARM LOAN BOARD.

SEC. 10. That the Federal Farm Loan Board shall have power—

(a) To organize and charter Federal land banks and Federal farm bond banks, subject to the provisions of this act.

(b) To review and alter at its discretion the rate of interest to be charged by farm loan associations for loans made by them under the provisions of this act, said rates to be uniform so far as practicable.

(c) To grant or refuse to Federal land banks authority to make any specific issue of farm loan bonds, and to fix the rate of interest thereon.

(d) To require reports and statements of condition and to make examinations of Federal land banks and farm loan associations.

(c) To appraise farm lands through the farm loan commissioner as set forth in section 21 of this act.

(f) To exercise such incidental powers as shall be necessary or requisite to fulfill the duties and carry out the purposes of this act.

ADMISSION OF STATE INSTITUTIONS.

SEC. 11. That whenever the farm loan commissioner shall report to the Federal Farm Loan Board that associations have been organized under the laws of any State of the United States with authority to make loans upon unencumbered farm land situated in such State, and shall certify that the laws under which said associations are organized permit such associations to afford to holders of first mortgages on such lands protection and assurance of safety equal to that provided under this act and that such mortgages do afford such protection and assurance, the said board may issue an order permitting Federal land banks operating in land bank districts including such State to purchase such first mortgages from any such association with its indorsement, and to utilize the same as collateral security when applying through the Federal reserve agent for authority to issue farm loan bonds.

The Federal Farm Loan Board shall establish rules and regulations to which such associations organized under State law shall conform in making loans secured by first mortgages on farm land, if they desire to offer such mortgages to the Federal land bank of the district for purchase by said bank at its discretion, and shall require such associations or institutions to enter into agreements which shall obligate them to conform to the requirements by this act imposed upon national farm loan associations, so far as the said board shall deem necessary.

ORGANIZATION OF FEDERAL LAND BANKS.

SEC. 12. That the farm loan commissioner shall select five farm loan associations of each Federal land bank district to act by an officer thereof designated for the purpose by the board of directors, who shall unite to form an association to exercise the powers conferred by this act and to be known as the Federal land bank of said district. The said Federal land banks shall be organized subject to the requirements and under the conditions set forth in section 4 of this act, so far as the same may be applicable: *Provided*, That the board of directors of every Federal land bank shall consist of nine members, three of whom shall be appointed by the Federal Farm Loan Board for terms of three years each, and six of whom shall be chosen as herein provided for the election of directors of farm loan associations. Every director of a Federal land bank shall have been for two years preceding his selection a bona fide resident of said land bank district.

Every such farm loan association and every farm loan association making subsequent application shall subscribe for not less than \$1,000 of capital stock of the said land bank.

Every farm loan association before transferring first mortgages to the Federal land bank of its district, under the provisions of sections 15 and 23 of this act, shall subscribe and pay for in cash or in approved first mortgages an amount of the capital stock of the said land bank equal to at least 10 per cent of its own capitalization.

CAPITAL OF FEDERAL LAND BANKS.

SEC. 13. That every Federal land bank shall have, before beginning business, a subscribed capital of not less than \$500,000. The Federal farm loan board is hereby authorized to prescribe the times and conditions of the payment of subscriptions to stock and to require subscribers to furnish adequate security for the payment thereof. At least 50 per cent of the said capital shall be paid in cash when required by the Federal farm loan board, the balance to be either cash or first mortgages under the restrictions provided under section 8 and section 11 of this act. Five per cent of the capital stock of every land bank shall be invested in bonds of the United States.

The capital stock of each Federal land bank shall be divided into shares of \$100 each, and may be subscribed for and held by any individual, firm, or corporation, or by the Government of any State or of the United States.

Stock held by farm loan associations shall not be transferred or hypothecated.

Mr. WINGO. Mr. Chairman, I make the point of order that there is no quorum present. I see about 15 or 20 Democrats here.

The CHAIRMAN (Mr. PATTEN of New York). The Chair will count. [After counting.] One hundred and eight gentlemen are present—a quorum. The Clerk will read.

The Clerk resumed and concluded the reading of the committee amendment, as follows:

Stockholders shall share in all dividend distributions without preference. Each farm loan association and the Government of the United States shall be entitled to one vote for each share of stock held by it at all elections of directors and in deciding all questions at meetings of shareholders, and no other shareholder shall be permitted to vote. Stock owned by the United States shall be voted by the farm loan commissioner.

It shall be the duty of the Federal farm loan board, as soon as possible after the passage of this act, to open books of subscriptions for the capital stock of a Federal land bank in each Federal land bank district. If within 90 days after the opening of said books any part of the minimum capitalization herein prescribed for Federal land banks shall remain unsubscribed, it shall be the duty of the Secretary of the Treasury to subscribe the said unsubscribed balance of \$500,000, said subscription to be subject to call in whole or in part by the board of directors of the said land bank upon 30 days' notice, subject to the approval of the Federal farm loan board; and the Secretary of the Treasury is hereby authorized to take out shares corresponding to the said unsubscribed balance as called, and to pay for the same out of any money in the Treasury not otherwise appropriated. Said shares may be sold at not less than par.

Whenever subscriptions to stock by farm loan associations under the provisions of section 12 would increase the total capital stock of the Federal land bank beyond \$500,000 if issued, and any stock of said bank is then held by the United States Treasury, an amount of such Treasury stock equal to such excess shall be paid for and canceled, and in lieu thereof a similar amount of stock shall be issued to the subscriber.

CANCELLATION OF SHARES.

SEC. 14. That if any farm loan association shall be declared insolvent and a receiver shall be appointed therefor by the farm loan commissioner, the stock held by it in the Federal land bank of its district shall be canceled without impairment of its liability; and all paid-in subscrip-

tions on such stock, with accrued dividends, if any, since the date of the last dividend shall be first applied to all debts of the insolvent farm loan association to the Federal land bank and the balance, if any, shall be paid to the receiver of said farm loan association: *Provided*, That in estimating the said debts contingent liabilities incurred by farm loan associations under the provisions of this act on account of default of principal or interest of mortgages sold or transferred, shall be estimated and included as a debt, and said contingent liabilities shall be determined by agreement between the receiver and the Federal land bank of the district, subject to the approval of the farm loan commissioner, and if said receiver and land bank can not agree, then by the farm loan commissioner, and the amount thus ascertained shall be deducted in accordance with the provisions of this section from the amount otherwise due the said farm loan association for said canceled stock. Whenever the capital stock of a Federal land bank shall be reduced the board of directors shall cause to be executed a certificate to the farm loan commissioner, showing such reduction of capital stock, and if said reduction shall be due to the insolvency of a farm loan association, the amount repaid to such association.

POWERS OF LAND BANKS.

SEC. 15. That every Federal land bank shall have power, subject to the limitations and requirements of this act—

First. To issue, subject to the approval of the Federal farm loan board, and to sell farm loan bonds of the kinds authorized in this act, to buy the same for its own account, and to retire the same at maturity.

Second. To invest such funds as may be in its possession in the purchase of first mortgages on farm lands situated within the Federal land bank district within which it is organized or for which it is acting, preference being given to mortgages taken by farm loan associations within the district.

Third. To receive by assignment from farm loan associations and to deposit in trust with the Federal reserve agent of its district, to be by him held as special security for farm loan bonds, first mortgages upon farm land situated within the Federal land bank district that are legally receivable by farm loan associations, and to empower farm loan associations or member banks of the Federal Reserve System as agents of the land bank to collect and immediately pay over to said land bank the dues, interest, amortization installments, and other sums payable under the terms, conditions, and covenants of the mortgages and of the bonds secured thereby.

Fourth. To acquire and dispose of—

(a) A suitable banking house for the transaction of its own business, which, however, may be in part leased to others for revenue purposes.

(b) Parcels of land mortgaged to it as security through a farm loan association.

(c) Parcels of land acquired in satisfaction of debts or purchased at sales under judgments, decrees, or mortgages held by it. But no such bank shall hold title and possession of any real estate purchased or acquired to secure any debts due to it for a longer period than five years.

Fifth. To deposit its securities, and its current funds subject to check, with any Federal reserve bank, or for purposes of temporary convenience with any member bank of the Federal Reserve System, and to receive interest on the same as may be agreed.

Sixth. To accept deposits of securities or of current funds from farm loan associations holding its shares, but to pay no interest on such deposits.

Seventh. To buy and sell United States bonds.

Eighth. To hold in trust farm loan bonds to an amount equal to the outstanding convertible certificates issued by the loan associations of the district and for the redemption thereof, as provided in the sixth paragraph of section 7 of this act.

RESTRICTIONS ON LAND BANKS.

SEC. 16. That no Federal land bank shall have power—

First. To accept deposits of current funds except from its own stockholders or to transact any banking or other business not expressly authorized by the provisions of this act.

Second. To purchase or accept from farm loan associations first mortgages unless such mortgages were created subject to all limitations imposed by section 8 or section 11 of this act.

Third. To issue or obligate itself for outstanding farm loan bonds in excess of twenty times the amount of its capital and surplus or to purchase from any association additional mortgages when the amounts remaining unpaid upon mortgages already purchased from such association shall amount to twenty times the unimpaired capital and surplus of such association.

FEDERAL FARM BOND BANKS.

SEC. 17. That associations to be known as Federal farm bond banks for carrying on the business of lending on farm-mortgage security and issuing farm-loan bonds may be formed by any number of natural persons not less than five. They shall be organized subject to the requirements and under the conditions set forth in section 4 of this act, so far as the same may be applicable: *Provided*, That the board of directors of every Federal farm bond bank shall consist of nine members, three of whom shall be appointed by the Federal farm loan board for terms of three years each, and six of whom shall be chosen as herein provided for the election of directors of farm-loan associations. Every director of a Federal farm bond bank shall have been for two years preceding his selection a bona fide resident of the farm-loan district in which such bank is situated.

Any director of a Federal farm loan board may be removed at any time by the Federal farm loan board at its discretion.

In the business of lending on farm-mortgage security, said Federal farm bond banks shall be limited to a single State, and shall be subject to all the restrictions and conditions imposed on national farm-loan associations by this act, so far as such restrictions and conditions are applicable: *Provided, however*, That borrowers from such banks shall not be required to become shareholders in said banks.

In the business of issuing farm-loan bonds, said Federal farm bond banks shall be subject to all the restrictions and conditions imposed on Federal land banks by this act, so far as such restrictions and conditions are applicable: *Provided, however*, That the Government of the United States shall not be authorized or required to purchase or subscribe for any of the capital stock of any such bank; and each shareholder of any such bank shall have the same voting privileges as holders of shares in national banking associations.

No Federal farm bond bank shall be authorized to do business until capital stock to the amount of at least \$250,000 has been subscribed and paid in cash.

Farm-loan bonds issued by such banks shall be so engraved as to be readily distinguished in form and color from farm-loan bonds issued under this act by Federal land banks.

Federal farm bond banks shall be subject to the provisions of section 10 and section 25 of this act as to interest rates, but any such bank may, by majority vote of its directors, make loans at less than the normal rate.

APPLICATIONS FOR FARM-LOAN BONDS.

SEC. 18. That any Federal land bank which shall have voted to issue farm-loan bonds under this act shall make application to the Federal farm-loan board, through the Federal reserve agent of the district, for approval of such issue. Such application shall be accompanied with a tender to the said Federal reserve agent of first mortgages on farm lands as collateral security, of the kinds specified under section 8 and section 11 of this act, not less in amount than the sum of the bonds proposed to be issued. The said agent shall thereupon transmit said application with or without his approval to the Federal farm-loan board, which may grant in whole or in part or reject entirely such application. The said farm-loan commissioner may at any time call upon a Federal land bank for additional security to protect the bonds issued by it. Every first mortgage shall, when tendered to a Federal reserve agent as collateral security to protect an issue of farm-loan bonds, be transferred to the said agent, by assignment, in trust, said assignment providing for the right of redemption at any time by payment, and reserving the right of substitution of other first mortgages qualified under section 8 or section 11 of this act.

Every Federal land bank issuing farm loan bonds shall be primarily liable therefor, and by appropriate action of its board of directors, shall also obligate itself to become liable for interest payments due upon any farm-loan bonds issued by other Federal land banks with the approval of the Federal farm loan board, and remaining unpaid in consequence of the default of such other land banks, and every such bank shall likewise obligate itself to become liable for such portion of the principal of farm-loan bonds so issued as shall not be paid after the assets of any such other land banks shall have been liquidated and distributed: *Provided*, That such losses, if any, either of interest or of principal, shall be assessed against solvent guaranteeing land banks in proportion to the amount of farm-loan bonds which each may have outstanding at the time of such assessment.

QUALIFICATIONS OF LOANS.

SEC. 19. That no mortgage shall be accepted by a Federal reserve agent as part of an offering to secure an issue of farm-loan bonds except first mortgages made subject to the conditions prescribed in section 8 or in section 11 of this act.

STATE LEGISLATION.

SEC. 20. That it shall be the duty of the farm-loan commissioner to make examination of the laws of every State of the United States and to inform the Federal farm loan board as rapidly as may be whether in his judgment the laws of each State relating to the conveying and recording of land titles, and the foreclosure of mortgages or other instruments securing loans, as well as providing homestead and other exemptions and granting the power to waive such exemption as respects first mortgages, are such as to assure the holder thereof adequate safeguards against loss in the event of default on loans secured by any such mortgages.

Pending the making of such examination in the case of any State, the Federal farm loan board may declare first mortgages on farm lands situated within such State ineligible as the basis for an issue of farm-loan bonds; and if said examination shall show that the laws of any such State afford insufficient protection to the holder of first mortgages of the kinds provided in this act, the said Federal farm loan board may declare the said first mortgages on land situated in such State ineligible during the continuance of the laws in question. In making his examination of the laws of the several States and forming his conclusions thereon, said commissioner may call upon the office of the Attorney General of the United States and upon the counsel of the Federal Reserve Board for any needed legal advice or assistance, or may employ special counsel in any State where he considers such action necessary.

APPRAISAL.

SEC. 21. That the farm-loan commissioner shall appoint appraisers, one or more of whom shall at stated periods visit every national land-bank district and shall make a general report regarding the values of the lands in each State. The said commissioner shall apply to every Federal land bank a schedule stating maximum acre valuations for each farm-loan district in such detail as he may deem necessary, and the said schedule shall not be exceeded in making loans. Said schedule shall be revised every five years.

SERIES OF FARM-LOAN BONDS.

SEC. 22. That farm-loan bonds shall be issued in denominations of \$100, \$500, and \$1,000, shall run for specified maximum periods, with interest coupons attached payable annually or semiannually, and shall be issued in series of not less than \$100,000, whose amount and term shall be fixed for each Federal land bank by the Federal farm loan board and shall bear a rate of interest to be established by the said board, not to exceed 5 per cent per annum.

In order to furnish suitably engraved bonds for delivery to Federal land banks, the Comptroller of the Currency shall, under the direction of the Secretary of the Treasury, cause plates and dies to be engraved in the best manner to guard against counterfeits and fraudulent alterations, and shall have printed therefrom and numbered such quantities of such bonds of the denominations of \$100, \$500, and \$1,000 as may be required to supply the Federal land banks. Such bonds shall be in form and tenor as directed by the Secretary of the Treasury under the provisions of this act and shall bear the distinctive numbers of the several Federal land banks by which they are issued. They may be exchanged into registered bonds of any amount, and reexchanged into coupon bonds, at the option of the holder, under rules and regulations to be prescribed by said Secretary.

When such bonds have been prepared, they shall be deposited in the Treasury, or in the subtreasury or mint of the United States nearest the place of business of each Federal land bank, and shall be held for the use of such bank subject to the joint order of the farm loan commissioner and the Federal reserve agent for the district for their delivery, as provided by this act.

The plates and dies to be procured by the farm loan commissioner for the printing of such bonds shall remain under his control and direction, and the expenses necessarily incurred in executing the laws relating to the printing of such bonds and all other expenses incidental to their issue and retirement shall be paid by the Federal land banks. The Federal farm loan board shall levy semiannually against the respective Federal land banks in proportion to the issue of bonds by each a sufficient amount to cover such expenses.

The examination of plates, dies, bed pieces, and so forth, and regulations relating to such examination of plates, dies, and so forth, of national-bank notes provided for in section 5174, Revised Statutes, is hereby extended to include bonds herein provided for.

Any appropriation heretofore made out of the general fund of the Treasury for engraving plates and dies, the purchase of distinctive paper, or to cover any other expense in connection with the printing of national-bank notes or notes provided for by the act of May 30, 1908, and any distinctive paper that may be on hand at the time of the passage of this act may be used in the discretion of the Secretary for the purposes of this act, and should the appropriations heretofore made be insufficient to meet the requirements of this act, the Secretary is hereby authorized to use so much of any funds in the Treasury not otherwise appropriated as may be required for the purpose of furnishing the bonds aforesaid.

ISSUE AND REDEMPTION OF FARM LOAN BONDS.

SEC. 23. That whenever any Federal land bank shall present first mortgages to the Federal reserve agent of the district as collateral security for an issue of a series of farm loan bonds, it shall furnish therewith to said Federal reserve agent a schedule containing a description of said mortgages as prescribed by the farm loan commissioner. Said mortgages shall be deposited in the Federal reserve bank for the district subject to the control of said Federal reserve agent and in his name as trustee for said Federal land bank and the prospective holders of said series of farm loan bonds. Said Federal reserve agent shall thereupon satisfy himself that said first mortgages are at least equal in amount to the series of farm loan bonds authorized by the Federal farm loan board, and shall forthwith notify the farm loan commissioner thereof in writing. Said farm loan commissioner and said Federal reserve agent shall thereupon be empowered to direct by their joint order the delivery of said farm loan bonds to said Federal land bank. It shall be the duty of the Federal reserve agent in each district to see that the farm loan bonds delivered by him and outstanding do not exceed the amount of first mortgages pledged as collateral security therefor, but he may, in his discretion, temporarily accept in place of mortgages withdrawn securities other than qualified first mortgages, preference being given to farm loan bonds.

Whenever any Federal land bank shall receive any interest, amortization, or other payment upon any first mortgage pledged as collateral security for the issue of farm loan bonds, it shall forthwith deposit the same with the Federal reserve bank of the district to its own account, and shall notify the Federal reserve agent of the items so received. The Federal reserve agent shall thereupon cause such payment to be duly credited upon the respective mortgages entitled to such credit. Whenever any of said mortgages are paid in full, said Federal reserve agent shall cause the same to be canceled and delivered to said Federal land bank for transmission to the original maker thereof, or his heirs, administrators, or assigns.

Upon written application by any Federal land bank to the Federal reserve agent, it may be permitted, in the discretion of said Federal reserve agent, to withdraw from the Federal reserve bank any mortgage or mortgages pledged as collateral security under this act, and to substitute therefor other mortgages not less in amount than the mortgage or mortgages desired to be withdrawn, such substituted mortgages being qualified under section 8 or section 11 of this act.

Whenever any farm loan bonds, or coupons or interest payments of such bonds, are due under their terms, they shall be payable, at the Federal land bank by which they were issued, in gold or lawful money, and upon payment shall be duly canceled by said bank. At the discretion of the farm loan commissioner, payment of any farm loan bond or coupon or interest payment may, however, be directed to be made at any Federal land bank or any Federal reserve bank, under rules and regulations to be prescribed by said farm loan commissioner, subject to the approval of the Federal Farm Loan Board. Upon the surrender of any farm loan bonds of any series, canceled or uncanceled, by any Federal land bank to the Federal reserve agent of the district, said Federal land bank shall be entitled to withdraw from the Federal reserve bank first mortgages pledged as collateral security for any of said series of farm loan bonds to an amount equal to the farm loan bonds so surrendered, and it shall be the duty of said Federal reserve agent to permit and direct the delivery of such mortgages to such Federal land bank.

Interest payments shall be at the disposal of the Federal land bank which shall deposit the same, and shall be available for the payment of coupons and the interest of farm loan bonds as they become due. Amortization or other payments on the principal of first mortgages held as collateral security for the issue of farm loan bonds shall constitute a trust fund in the hands of the Federal land bank receiving the same, and shall be applied or employed as follows:

(a) To purchase at not more than par farm loan bonds issued by itself or by some other Federal land bank, said bonds to be deposited forthwith with the Federal reserve agent as substituted collateral security for the payments indorsed on mortgages deposited with him; or

(b) If such farm loan bonds are not available at par or under, to deposit said trust fund with the Federal reserve bank of the district, or any member bank of the Federal Reserve System which shall be approved by the farm loan commissioner, or to make such investment thereof as may be approved in writing by said farm loan commissioner, subject to rules and regulations prescribed by the Federal Farm Loan Board; or

(c) To pay off such farm loan bonds as may become due. Federal land banks, in the order of their applications, shall have a preference over other subscribers in purchasing the whole or any part of an issue of farm loan bonds.

Said Federal land banks shall notify the Federal reserve agent of the district of the disposition of all payments made on the principal of mortgages held as collateral security for the issue of farm loan bonds, and said Federal reserve agent is authorized, at his discretion, to order any of such payments, or the proceeds thereof, wherever deposited or however invested, to be transferred to the Federal reserve bank of the district to his account as trustee aforesaid.

RELATIONS BETWEEN LOAN ASSOCIATIONS AND LAND BANKS.

SEC. 24. That any farm loan association may offer for sale to the Federal land bank of its district first mortgages of which it has become possessed under the terms of this act, and said Federal land bank may, at its discretion, purchase the same when duly indorsed by said association.

Payment may be made in cash, current funds, or farm loan bonds, as may be agreed.

Every Federal land bank shall, from time to time, under regulations prescribed by the Federal farm loan board, pay to each farm loan

association, assignor of first mortgages eligible for use as a basis for the issue of farm loan bonds and purchased by the said bank, a sum equal to one-half of 1 per cent per annum upon the total unpaid amount of the first mortgages purchased from said assignor, computing said one-half of 1 per cent from the date when the mortgages were purchased by said land bank to the date of the nearest annual or semiannual dividend period of the said land bank.

SPECIAL RESERVE.

SEC. 25. That, so far as practicable, the rate of interest on loans secured by first mortgages under this act shall be uniform, as provided in section 10, and the farm loan commissioner shall, from time to time, establish a specific rate of interest to be charged on all first mortgage loans in each land bank district. The normal rate of interest, not including therein any amortization payment, on first mortgage loans shall be established by adding 1 per cent to the rate of interest specified in the latest issue of farm loan bonds in said district. Whenever, because of local or other conditions, it shall be deemed wise by said farm loan commissioner, in order to provide a special reserve against losses, to establish a specific rate of interest in excess of said normal rate, the amount of interest thereafter paid by any borrower in excess of the amount which he would have been required to pay if his loan had been made at the normal rate of interest current when said loan was made shall be carried to a special reserve fund, which shall be specifically set apart by the association or the land bank then holding said loan for the purpose of meeting any losses incurred in the State where the land mortgaged to secure such loan is located. Every land bank shall establish a separate reserve fund for mortgages originating in each and every State of the United States included within the Federal land bank district within which such land bank may be authorized to operate, and each such reserve fund shall be first applied to the cancellation of losses due to nonpayment of principal or interest of mortgages on farm land situated in such State. Whenever, after three years from the date of this act, in the opinion of the board of directors of the said Federal land bank, any one of such reserve funds shall be more than sufficient to provide for losses under the mortgages to which it is specifically applicable, such land bank may apply annually to the farm loan commissioner for permission to distribute such portion of said reserve fund as may be deemed wise, and in the event such permission shall be granted, said bank shall cause to be computed the percentage of annual payments which shall be returned by it to each borrower within said State, based upon the proportion paid into said reserve fund by every borrower, whether said payments have been made on account of said land bank or of farm loan associations; and said bank shall pay to each farm loan association for distribution among its borrowing members such portion of said special reserve fund as belongs to such members, and each farm loan association shall distribute such portion to the members who are entitled thereto, and each association shall also pay to its members whose obligations are held by it a like percentage on the payments made during the same period: *Provided*, That no payments shall be made under the provisions of this section to members who are in default for any reason at the time of such distribution.

The farm loan commissioner may, with the consent in writing of the Federal land bank of any district, together with the consent in writing of a majority in number of the farm loan associations of said district, fix the normal rate of interest at a point below that established in this section; and thereafter the sum to be paid over to farm loan associations by said Federal land bank under the provisions of section 24 shall be diminished in proportion to the decrease in said normal interest rate, said land bank always retaining one-half of the sum accruing from the payment of interest on indorsed mortgages after paying the interest on farm loan bonds secured by such mortgages.

GENERAL RESERVE AND DIVIDENDS OF LAND BANKS.

SEC. 26. That every Federal land bank shall, out of its net earnings, as ascertained after the deduction of all expenses of operation, semiannually carry to an account known as "reserve account" one-fourth of such net earnings until the said reserve account shall show in the aggregate a balance equal to 20 per cent of the outstanding capital stock of the said Federal land bank. The said reserve account shall be debited with all losses due to default upon the first mortgages held by such Federal land bank, in so far as the same shall be proven irrecoverable from the mortgagor or assignor. For the period of two years from the date when such default occurs in the payment of the interest, amortization installments, or principal on any of the said first mortgages, the amount so defaulted shall be carried to a suspense account, and at the end of the 2-year period specified shall be transferred to reserve account as a charge against the one-fourth of net earnings credited thereto.

Whenever the net earnings of any Federal land bank, after deducting the one-fourth hereinbefore directed to be deducted as a contribution to reserve account, shall amount to 2 per cent upon the face value of the capital stock of such land bank then outstanding, the said land bank may, at its discretion, declare a dividend to stockholders of 2 per cent. The said dividend may be increased whenever the residue of net earnings shall permit until it shall amount to 6 per cent, which shall be cumulative. Surplus earnings beyond the reserves herein required and the said cumulative 6 per cent dividend shall be paid to the Government of the United States, but this provision shall not apply to Federal farm bond banks. Every such land bank shall semiannually submit to the Federal farm loan board a schedule showing the salaries or rates of compensation paid to its officers and employees, and the said board shall have power to disapprove such schedule, or any item in it, and to alter any or all salaries thereon shown.

DEFAULTED LOANS.

SEC. 27. That if there shall be default under the terms of any first mortgage transferred to a Federal land bank under the provisions of this act, and by it used as collateral security for farm loan bonds issued and sold in accordance therewith, and if the special reserve fund set apart by the said Federal land bank for the protection of loans secured by mortgages originating in the State wherein is situated the property upon which default has occurred is exhausted or unavailable, the farm loan association from which the said mortgages were originally purchased by the Federal land bank shall be notified of the said default. Said farm loan association shall thereupon be required, within 30 days after such notice, to repurchase such mortgage by payment of the amount due thereon in cash, or by delivery of an equal amount of farm loan bonds with all unmatured coupons attached, or of first mortgages qualified under section 8 or section 11 of this act.

GENERAL RESERVE AND DIVIDENDS OF NATIONAL FARM LOAN ASSOCIATIONS.

SEC. 28. That every farm loan association shall, out of its net earnings, as ascertained after the deduction of all expenses of operation, semiannually carry to an account, known as reserve account, a sum not less than 2 per cent of its capital or than one-fourth of such net earnings until the said reserve account shall show a credit balance equal to 20 per cent of the outstanding capital stock of the said farm loan association. The said reserve account shall be debited with all losses due to the return or repurchase of mortgages which have been retransferred to the said farm loan association by the Federal land bank of its district and upon which default has occurred under the provisions of section 27 of this act, or upon which such default shall have occurred while the said mortgages are still in the possession of the said farm loan association. For the period of two years from the date when default occurs upon loans secured by any such first mortgages as are still in the possession of the farm loan association, either with respect to interest, amortization installments, or principal of any of the loans protected by said first mortgages, the amount of such securities or installment payments due thereon shall be carried to a suspense account, and at the end of the two-year period specified, if not meanwhile collected, shall be transferred to reserve account as a charge against the one-fourth of net earnings credited thereto.

Whenever the net earnings of any farm loan association after deducting the one-fourth hereinbefore directed to be credited to reserve account shall amount to 2 per cent upon the face value of the capital stock of such farm loan association then outstanding, the said farm loan association may, at its discretion, declare a dividend to stockholders of 2 per cent. The said dividend may be increased whenever the residue of net earnings shall permit until it shall amount to 6 per cent per annum, which shall be cumulative. Any subsequent surplus earnings above the reserve herein required and the cumulative 6 per cent dividend aforesaid shall be at the disposition of the board of directors. Whenever any farm loan association shall be voluntarily liquidated a sum equal to its reserve account as herein required shall be paid to and become the property of the Federal land bank in which such loan association may be a stockholder; but this provision shall not apply to Federal farm bond banks.

EXEMPTION FROM TAXATION AND INVESTMENT.

SEC. 29. That every Federal land bank and every farm loan association, including the capital stock and reserve or surplus therein, and the income derived therefrom, shall be exempt from Federal, State, and local taxation, except taxes upon real estate held, purchased, or taken by the said bank under the provisions of sections 7 and 15 of this act. First mortgages executed to farm loan associations or to Federal land banks under the provisions of this act, and eligible as security for the issue of farm loan bonds shall be deemed and held to be instrumentalities of the Government of the United States, and as such they and the income derived therefrom shall be exempt from Federal, State, and local taxation.

Farm-loan bonds issued under the provisions of this act and the income derived therefrom shall be exempt from Federal, State, and local taxation, and such bonds shall be a lawful investment for all fiduciary and trust funds.

Any bank of the Federal Reserve System may buy or sell farm-loan bonds; any member bank of said system may accept time drafts against a deposit of such bonds as security; acceptances of a member bank thus made, or the direct obligation of such bank maturing within 60 days when accompanied by farm-loan bonds as collateral security not less in face value than the amount of such direct obligation, shall be eligible for discount by any Federal reserve bank.

POSTAL SAVINGS.

SEC. 30. That section 9 of the act of June 25, 1910, entitled "An act to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes," shall be, and the same is hereby, amended by adding a new paragraph at the close of the said section, such paragraph to read as follows:

"Federal farm-loan bonds authorized by the Federal farm-loan board and issued by any Federal land bank may be purchased by the trustees in lieu of United States bonds or other securities for the purpose of investing postal savings deposits under the provisions of this section. The trustees shall be, and they are hereby, directed, whenever funds shall be withdrawn from postal savings depositories for such investment, to employ such funds in the purchase of Federal farm-loan bonds in the open market if at the time of such withdrawal the said farm-loan bonds can be obtained at par or less. At their discretion the said trustees may invest such sums as shall be withdrawn from postal savings depositories by the purchase of new Federal farm-loan bonds direct from any Federal land bank authorized to issue the same."

EXAMINATIONS.

SEC. 31. That there shall be appointed by the farm-loan commissioner farm-loan association examiners, subject to the approval of the Federal farm-loan board. The said examiners shall be subject to the same requirements, responsibilities, and penalties as are applicable to national-bank examiners under the national-bank act, the Federal reserve act, and other provisions of law. The said examiners shall be required to examine the condition of every farm-loan association and report the same to the farm-loan commissioner at least once each year, and to examine and report the condition of every Federal land bank at least twice each year.

The said examiners shall receive salaries to be fixed by the Federal farm-loan board, which shall be paid by the Secretary of the Treasury out of any money in the Treasury not otherwise appropriated.

Any applicant for a loan from a farm-loan association who shall knowingly make any false statement in his application for such loan, and any member of an appraisal committee or other appraiser who shall willfully overvalue any land offered as security for loans under this act, shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than \$5,000, or both. Any examiner accepting a loan or gratuity from any bank or association examined by him, or from an officer, director, or employee thereof, shall be deemed guilty of a misdemeanor and shall be imprisoned not exceeding one year or fined not more than \$5,000, or both, and may be fined a further sum equal to the money so loaned or gratuity given, and shall forever thereafter be disqualified from holding office as an examiner under the provisions of this section. No examiner shall perform any other service for compensation while holding such office for any bank, or officer, director, or employee thereof.

Other than the usual salary or director's fee paid to any officer, director, or employee of a farm-loan association or land bank, and

other than a reasonable fee paid by said association or bank to such officer, director, or employee for services rendered, no officer, director, employee, or attorney of an association or bank shall be a beneficiary of or receive, directly or indirectly, any fee, commission, gift, or other consideration for or in connection with any transaction or business of such association or bank. No examiner, public or private, shall disclose the names of borrowers to other than the proper officers of a farm-loan association or land bank without first having obtained express permission in writing from the farm-loan commissioner or from the board of directors of such association or bank, except when ordered to do so by a court of competent jurisdiction or by direction of the Congress of the United States, or of either House thereof, or any committee of Congress or of either House duly authorized. Any person violating any provision of this section shall be punished by a fine of not exceeding \$5,000 or by imprisonment not exceeding one year, or both.

Upon becoming satisfied that any farm-loan association has refused to repurchase mortgages or to substitute bonds or mortgages, as required by section 27 of this act, or upon receiving satisfactory evidence that any such loan association has failed to meet its outstanding obligations of any description whatever when due, and is in default, the farm-loan commissioner may forthwith appoint a receiver and require of him such bond and security as he deems proper. Such receiver, under the direction of said commissioner, shall take possession of the books, records, and assets of every description of such association, collect all debts, dues, and claims belonging to it, and, with the approval of said commissioner, or upon the order of a court of record of competent jurisdiction, may sell or compound all bad or doubtful debts, and, on a like approval or order, may sell all the real and personal property of such association on such terms as said commissioner or said court shall direct. Such receiver shall pay over all money so collected to the Treasurer of the United States, subject to the order of the said commissioner, and also make report to the commissioner of all his acts and proceedings. Upon default of any obligation Federal land banks may be declared insolvent and placed in the hands of a receiver, to be appointed by the farm-loan commissioner under the direction of the Federal Farm Loan Board, and proceedings had in accordance with the provisions of this section regarding loan associations.

SEC. 32. That the sum of \$50,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be expended under the direction of the Federal Farm Loan Board, for the purpose of carrying into effect the provisions of this act and of furnishing the compensation of the farm-loan commissioner and his assistants, appraisers, examiners, and of other officers and employees herein provided for during a period of one year from the passage of this act.

SEC. 33. That all acts or parts of acts inconsistent with this act are hereby repealed, and this act shall take effect upon its passage.

Mr. BATHRICK and Mr. ANDERSON rose.

The CHAIRMAN. The gentleman from Ohio [Mr. BATHRICK] is recognized.

Mr. BATHRICK. Mr. Chairman, I offer the following as a substitute for the committee amendment.

The CHAIRMAN. The gentleman from Ohio [Mr. BATHRICK] offers a substitute for the committee amendment.

Mr. ANDERSON. Mr. Chairman, the amendment of the gentleman from Ohio [Mr. BATHRICK], as I understand it, is in the nature of a substitute. Would it not be in order and would not such an amendment take precedence—

The CHAIRMAN. The Clerk will report the amendment, and then the Chair will hear what the gentleman from Minnesota has to submit.

The Clerk read as follows:

Amendment to the Hollis bill, or to the committee substitute—

Mr. UNDERWOOD. Mr. Chairman, I reserve a point of order to that.

Mr. BATHRICK. I offer that as an amendment to the committee substitute. The Hollis amendment is the committee substitute.

The CHAIRMAN. The gentleman from Ohio offers an amendment to the amendment of the committee.

Mr. MANN. That is no amendment. That is just some language. That is not an amendment.

Mr. BATHRICK. That is a substitute for the committee amendment.

The CHAIRMAN. Does the gentleman offer that as a substitute for the committee amendment?

Mr. MANN. The gentleman can not offer a substitute for a substitute. I have no desire to make a point of order; I do not care how the gentleman offers it.

Mr. LEVER. Mr. Chairman, if the Chair will permit me, the committee amendment is no doubt in the nature of a substitute for the Senate amendment.

The CHAIRMAN. The gentleman from Ohio [Mr. BATHRICK] offers his amendment as a substitute.

Mr. MANN. That would mean to strike out all after the word "that."

Mr. BATHRICK. That is what I propose to do.

The CHAIRMAN. Very well. Let the gentleman take his amendment and put it in proper form.

Mr. BATHRICK. All you have to do is to strike out all after the word "that" and insert the following.

The CHAIRMAN. The gentleman from Ohio moves to strike out all after the word "that" in the amendment, and offers the following as a substitute.

The Clerk read as follows:

Strike out all after the word "that" in the committee amendment, and insert the following:

"There is hereby created in the Department of Agriculture a bureau to be known as the Farm Credit Bureau, hereinafter referred to as the bureau, which shall be in charge of a commissioner, who shall be appointed by the President of the United States, by and with the advice and consent of the Senate, and who shall receive a salary of \$7,500 per annum and shall hold office at the will of the President. The Secretary of Agriculture shall provide sufficient clerical force to perform the duties of the bureau.

"Sec. 2. That there is hereby appropriated and set aside for the use of said bureau, in the manner hereinafter provided, the sum of \$5,000,000, or so much thereof as may be necessary.

"Sec. 3. That the said sum so provided shall be used for the purpose of purchasing notes secured by first mortgages on agricultural lands, as hereinafter provided, for stationery and clerical expenses, and such other expenses as may be incident to the business of said bureau. Wherever the term "first mortgage" is used in this act it shall be held to include any first lien on real estate approved by the bureau, and the instruments secured thereby.

"Sec. 4. That every national and State bank or building and loan association desiring to avail itself of the privileges herein provided are hereby declared to be agencies of the bureau, if so designated by the said commissioner, for the purpose of receiving from mortgagors notes and mortgages securing same, advancing the moneys to the said mortgagors and transmitting said notes and mortgages to the bureau, and receiving in return therefor the amount advanced to the mortgagor by the said bureau.

"Sec. 5. That it shall be the duty of the said commissioner to apportion the sum hereby appropriated among the several States according to the agricultural population, importance of the agricultural productions of each State, and percentage of agricultural lands encumbered by mortgages or trust deeds, and to pay for such notes and mortgages as may be presented to the extent of the amount apportioned to any State.

"Sec. 6. That there is hereby created a board to be known as the Farm Credit Board, hereinafter referred to as the board, which shall be composed of the Secretary of Agriculture, Secretary of the Treasury, and the Postmaster General of the United States, who shall act without additional compensation, and two citizens of the United States who are farmers and who shall be fairly representative of the agricultural interests of different sections of the country. The said farmers shall be appointed by the President, to serve for a term of two years from date of their appointment. In the event of a vacancy upon the board of either of the farmer members, the President shall fill such vacancy within thirty days thereafter. Said farmer members shall receive a per diem payment of \$20 for each day in which their services are required by said board, together with their expenses of traveling between their homes and the place where the board shall convene.

"The board is hereby authorized and directed to prescribe the rules, procedure, regulations, and forms, not otherwise herein prescribed for the best means of carrying out this act.

"After consultation with the heads of the various Government departments the board may designate employees of any of these to assist in the administration of the purposes of the bureau, in any capacity, which shall not conflict with their regular duties.

"Within 30 days after the provisions of this act in sections 1 and 5, relating to the appointment of a commissioner and chief clerk of the bureau, shall have been complied with, the said board shall meet in the city of Washington, D. C., at a place designated by the Secretary of Agriculture, and perform the duties herein provided, and shall hold further meetings upon the call of its president. The Secretary of Agriculture shall be president of the board, and he shall appoint a chief clerk of the bureau, who shall also be secretary of the board, and shall receive a salary of \$2,500 per year. The secretary of the board shall keep a record of all of its proceedings and of all rules and regulations, which shall be preserved in the archives of the Department of Agriculture and copies thereof shall be transmitted to the commissioner of the bureau. All decisions on matters coming before the board shall be by a record vote of the majority, each member having one vote, and three members present shall constitute a quorum for the transaction of business.

"Sec. 7. That any owner of agricultural lands within the United States, who is living upon and farming such lands, desiring a loan under the provisions of this act, shall execute a promissory note due in 10 years, bearing interest at the rate of 5 per cent per annum, interest payable annually, which interest shall be evidenced by 10 coupon notes attached to said principal note, and which coupons shall also bear interest at the rate of 5 per cent per annum from the date of maturity until paid, payable annually. Said note shall also provide that the principal may be paid on any interest-paying day after the expiration of five years. Said note shall be secured by a first mortgage upon the lands so farmed by the owner, and executed and recorded in the manner provided by the laws of the State in which the land is situated, for the execution and recording of mortgages on real estate. Such mortgage shall be accompanied by an application for loan, which application shall recite the purpose for which the loan is desired, the market value of the land, the value at which it was last assessed for taxation, the value and kind of buildings thereon, the number of acres under cultivation, the character and quality of the soil, the number of acres capable of being cultivated, and such other information as may be required by the rules of the said bureau. Said note, mortgage, and application shall also be accompanied by an abstract of title duly certified by an abstract company, the register of deeds, or other officer authorized by the laws of the State to make and certify abstracts of lands, which abstract shall show no other mortgages, judgments, delinquent taxes, or other liens of any character against the said lands, unless the purpose of the loan is to secure money to cancel such liens. Said owner shall then present to any national bank or State bank or building and loan association accepting the provisions of this act the said loan papers. The said abstract and papers shall be carefully examined by the president, cashier, or other officer of the bank for the purpose of ascertaining whether the title is perfect in the mortgagor, or whether the land is affected by any liens, who shall certify the result of his examination of the abstract, and who shall further certify what, in his opinion and judgment, is the actual market value of the land. And no mortgage shall be accepted for a greater amount than one-half of the value of such lands, including improvements; nor in any event to an amount exceeding one-half of the actual market value thereof. The said bank

may charge the borrower for its services in examining papers and abstract, and in forwarding the papers to the bureau of farm credits a sum prescribed by the board. No mortgage shall be less than \$300 nor more than \$10,000 to one person, and shall be in multiples of \$100. The said notes and mortgages shall not be dated at the time they are executed and presented to the bank. The said bank or building and loan association shall forward all the said papers to the said bureau, which shall examine the abstract, note, mortgage, and application, and if said abstract shows the land to be clear or to have no liens of greater amount than the amount desired to be loaned, and all papers properly executed, it shall remit to the bank forwarding the papers the amount of the loan, and shall date the notes and mortgage the date on which the remittance is made, from which date interest shall begin to accrue; and all coupons shall be dated to correspond with the date affixed to the principal instrument; and said bureau shall return, with the remittance, the abstract of title. Upon receipt of the said abstract of title by the bank, said bank shall require the abstract to be continued up to date of payment by said bank to the borrower, and if said abstract after being continued shows the land clear, the bank shall indorse over to the borrower the remittance made by the bureau. If there are any liens upon the land, the bank, out of the remittance, shall first pay and have canceled such liens and pay the balance to the borrower.

"Sec. 8. That the board shall provide amortization tables which, by direction of the commissioner, shall constitute the terms of payment of mortgage notes, but no terms shall be made whereby the total cancellation of a mortgage shall not be effected within a period of 35 years, and it shall also prescribe regulations governing the responsibility of its agents.

"Sec. 9. That whenever the bureau shall have received such mortgages to the extent of \$500,000 it shall issue bonds, based upon said mortgages, bearing the guaranty of principal and interest by the United States. The said bonds shall be issued in denominations of from \$100 to \$1,000 each, as the board may prescribe, and shall bear interest not to exceed 3½ per cent, payable annually. The bonds shall not be sold for less than par, and the said bonds and the mortgages held by the bureau shall not be subject to taxation or duties of the United States or in any form taxed by or under State, municipal, or local authority.

"All moneys received by the said commissioner in the sale of bonds and the principal and all interest paid on said mortgages shall be covered into the said fund of \$5,000,000 and used in the payment of mortgages as they may be presented, the expenses of the bureau, the interest on bonds, and payment thereof at maturity. The board shall prescribe all procedure of issuing these bonds, printing, and selling them. Under these regulations the Secretary of the Treasury is hereby authorized and directed to issue said bonds.

"Sec. 10. That all mortgages shall run to the commissioner of farm credits, and said commissioner, on behalf of the United States, shall have all the rights and authority of a mortgagee under the laws of the State wherein such mortgage is executed.

"That all taxes of every kind levied by a State or municipality which may become a lien prior to said mortgage shall be paid by the mortgagor at least 30 days prior to the time such lands could be sold for delinquent taxes. Upon his failure to do so, or to pay any other lien that may attach to said lands and become superior to said mortgage, the commissioner may pay the same and the mortgage shall stand as security for such sums so paid and interest thereon at 8 per cent per annum. And said mortgage shall further provide that in default of the payment of any interest or the payment of taxes, or other superior liens, as aforesaid, the commissioner may foreclose the premises pursuant to the laws of the State in which the land is situated. All papers necessary for the foreclosure proceedings shall be prepared and premises foreclosed by the proper officer of the bureau. In lieu of foreclosure the commissioner may sell the mortgage to any person desiring to purchase the same, without recourse, and the money so received shall be covered into the said fund. Upon foreclosure the said commissioner may transfer and assign the certificate of sale to any purchaser, and after the period of redemption has expired may sell the lands. And any sum received therefor shall in like manner be covered into said fund.

"Sec. 11. That it is the purpose of this act not only to secure and facilitate borrowing upon agricultural lands at a reasonable rate of interest, but also to afford a means for those who desire a safe investment, and so long as the said bureau shall be able to dispose of bonds at par it shall accept mortgages presented to any extent above the \$5,000,000 hereby appropriated.

"That said bonds shall be negotiable in form and transferable by indorsement, and may be bought and sold by Federal reserve banks under the provisions of sections 13 and 14 of the Federal reserve act approved December 23, 1913.

"Sec. 12. The board shall provide a reserve fund for the purpose of providing against losses and for the eventual liquidation of its obligations. In order that it may invest this fund in easily convertible securities, it may purchase municipal bonds bearing interest equal to or in excess of the interest paid on the said mortgage bonds. The money with which to purchase said municipal bonds shall be taken from the reserve fund.

"Sec. 13. That all applicants for loans under the provisions of this act, together with all appraisers who shall be appointed by the said commissioner to view and appraise the value of property upon which loans are requested, shall state under oath the true market value of the property offered as security and reply to all questions asked in the application blanks, and if it shall appear after the said loan is made that the said applicant or appraisers have made any misstatement of fact respecting the value of the said property intending to make it appear greater than it really is, or if the mortgagor shall by any act depreciate the value of the property given as security, at the option of said commissioner, notwithstanding any contract previously entered into, the principal and interest of the said loan shall immediately become due and payable, in whole or in part, and subject to all legal processes for collection.

"Sec. 14. That any person or persons who shall willfully make a misstatement respecting the value or title of any property upon which a loan is secured, or commit any act with the intent thereby to defraud the Government, or to prejudice the interests of the Government by procuring a loan of a greater sum than 50 per cent of the value of said property, or who shall in any way by such act or misstatement cause a loss to the Government, shall be fined not more than \$5,000, which fine shall be paid into the loan fund, or shall be sentenced to not more than five years' imprisonment at hard labor, or both, at the discretion of the court.

"Sec. 15. That this act shall take effect from and after its passage and approval, and all acts and parts of acts in conflict therewith are hereby repealed."

Mr. BATHRICK. Mr. Chairman—

The CHAIRMAN. The gentleman from Ohio is recognized for five minutes.

Mr. BUCHANAN of Illinois. I desire to offer an amendment to the substitute.

The CHAIRMAN. The gentleman can not do that now.

Mr. LEVER. I ask unanimous consent that debate on this particular amendment close in 10 minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all debate on the Bathrick substitute close in 10 minutes. Is there objection?

Mr. BATHRICK. I want at least 15 minutes on this McCumber revision.

Mr. LEVER. Then I will make it 15 minutes.

Mr. BATHRICK. There are three or four more who want to speak on this.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that debate on the Bathrick amendment close in 15 minutes. Is there objection?

Mr. WINGO. I object.

The CHAIRMAN. The gentleman from Arkansas objects. The gentleman from Ohio [Mr. BATHRICK] is recognized for five minutes.

Mr. BATHRICK. Mr. Chairman, I have taken the McCumber amendment and given it careful revision, and I have taken out of it every objectionable feature that I have heard of on the floor of this House, in the lobbies, or elsewhere where Members have discussed it. I have provided—which the McCumber amendment does not distinctly provide—for the appointment of the commissioner. I have arranged that the board shall work out the details of operation, instead of that being done by the Secretary of the Treasury. The McCumber amendment gave the Secretary of the Treasury the power to work out all of these details, but I have provided a board consisting of the Secretary of the Treasury, the Secretary of Agriculture, and the Postmaster General, and I have included the latter because we need to use the employees of the Post Office Department to work out any of these plans properly where the Government is connected with the work. Then I have put on the board two more members consisting of farmers, who will fairly represent the different agricultural sections of the country. I believe when we make up the details of the operation of a bill of this kind the farmers of this country, who know the practice of agriculture, should have something to say about it.

In conjunction with that I have further provided an amortization feature which the McCumber amendment does not distinctly do, as to that part of the McCumber amendment to which there seemed to be the most strenuous objection. The part that I refer to is that the Government bonds which the McCumber bill proposes shall bear 4½ per cent and sell at par. It was contended that this might depreciate the value of some 3, 3½, and 4 per cent Government bonds that are now outstanding. So I have provided that the interest rate shall not exceed 3½ per cent and that the bonds shall not be sold for less than par.

Mr. ANDERSON. Will the gentleman yield right there?

Mr. BATHRICK. Yes; for just a question. I have a long way to go in the time allotted.

Mr. ANDERSON. Although the gentleman's amendment provides for selling the bonds at 3½ per cent, it still provides for charging the farmer 5 per cent.

Mr. BATHRICK. That is very true. I have made a flat rate of 5 per cent. No other bill offered here provides any idea of the rate of interest that the farmers shall pay in this country. I am going to touch upon that in connection with the Hollis bill in a moment.

I have added this: The McCumber bill says we shall use the present instrumentalities, which I think is very necessary. They are the State and National banks. There is little use in building up a great, cumbersome machine as does the Hollis bill. We should use the State banks and the National banks as agents, the same as the insurance companies do. At this time we should not lose the very simplicity and cheapness of operation of this plan. Whatever opposition some may have to any bank plan, we can well use banks as agencies to carry out this plan. I have added to that the proposition that we shall use also the building and loan associations, if they are designated by the commissioner, just the same as the manager of an insurance company would do if he were to select the agents. This provides that if the State banks and the national banks will not act as agents the farmers of the locality where these

banks refuse to act may organize building and loan associations and themselves become the agents of the Government in the matter.

I have arranged for the appraisers especially to be more carefully selected. I have reduced the appropriation from \$10,000,000 to \$5,000,000. When the Government secures \$1,000,000 worth of mortgages it issues bonds and gets the money back.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BATHRICK. Mr. Chairman, I thought I was to have 15 minutes.

Mr. LEVER. I requested that debate be closed in 15 minutes, but the gentleman from Arkansas [Mr. Wingo] objected.

Mr. BATHRICK. Mr. Chairman, I ask unanimous consent to proceed for 10 minutes.

Mr. UNDERWOOD. Mr. Chairman, I think that is all right for the gentleman to have 10 minutes on his own amendment, but I think that unless some other gentleman wants to speak on it the debate ought to be closed on that amendment at that time, and I ask the gentleman, if the 10 minutes additional is enough, that at the end of that time debate on his amendment shall be closed?

The CHAIRMAN. The gentleman from Alabama asks unanimous consent that all debate on this amendment be closed in 10 minutes.

Mr. WINGO. I object.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for 10 minutes. Is there objection?

Mr. LEVER. Mr. Chairman, I move that all debate on this particular amendment be closed in 10 minutes.

The CHAIRMAN. The gentleman from South Carolina moves that all debate on this particular amendment close in 10 minutes.

Mr. WINGO. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. WINGO. There is a unanimous request pending.

The CHAIRMAN. That does not prevent the gentleman from South Carolina moving to close debate.

The question was taken; and on a division (demanded by Mr. Wingo) there were 99 ayes and 13 noes.

So the motion prevailed.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to use this time. Is there objection?

There was no objection.

Mr. BATHRICK. Mr. Chairman, in addition to these changes that I have referred to in the McCumber bill, I have fixed out the Texas boys, and I have done it in the same language used in the Bulkley bill that takes care of that proposition; that is, I provide for loans on vendor's liens, which covers the Texas situation. I have given the board, who is to arrange the details, power also to fix the responsibility of its agents. Now, this completed amendment makes a simple proposition. I consider it a "second-chance" opportunity for this House to give the farmers of this country a real Government-aid bill and to give them something which will work effectively at the least possible cost.

Compare the cost where you have an agent of the Government board to take care of the loans; compare that with 12 land banks and a myriad of land associations; and then put on top of that a bond bank, and you get some idea of what it will cost the farmers under the Hollis bill.

I am going to say something about the interest rate. My amendment gives the farmers a low rate of interest. It is specific at 5 per cent. What do you get out of the Bulkley-Hollis bill? You get, on page 66, at the top, this: "The rate shall not exceed the legal current rate in the State." That is indefinite and terrifying to those poor fellows who have dared to hope that we were intending to give them relief. The legal rate in the State may be 8 per cent—and it is in some States—and the current rate might be the contract rate, and that may be more, but it is the legal rate. No farmer under that bill will know what interest rate he is going to get. Further, they say, in the Hollis bill, "as far as practicable, the rates shall be uniform." Who is to decide whether it is uniform or not? The whole Hollis bill and the Bulkley bill provide that it shall be run by private investors who are in the business to make money. While I am in favor of section 30, to be proposed by Mr. BULKLEY, it will not decide the interest rate, and the farmers will not know what rate they are going to get.

These bills say further, on page 90, that the "normal" rate shall be 1 per cent over the latest bond price. Who shall say what the bond price will be?

On page 93 it says that the commissioners will decrease the interest rate if asked for in writing. Asked for by whom? By the men who put their money in it to make money.

And in order for the commissioners to decrease the rates, these new-style bankers who are in the business, out for making a profit, have got to ask them, in writing, to lower the rate before the commissioners will do it, and you know the profit seekers will not ask this. If these absurd things were not in the bill, there still remains this expensive, cumbersome proposition. The gentleman from Indiana [Mr. Moss] admitted it was a bank bill, that it was a new system of banks, and I tell you the people of this country will not stand for a new system of banks, and the first conception of that kind was cursed by every farm organization in this country. I stood for the Bulkley-Hollis bill, but it was with the reservation that it should contain real Government aid. I asked others to be for it when it appeared the best we could get. But I never dreamed it would reach this position. I admit I have been led too much by my sympathies for the mortgaged farmers.

Mr. NORTON. There are three systems of banks in the Hollis bill.

Mr. BATHRICK. Yes.

Mr. KENT. Mr. Chairman, will the gentleman yield?

Mr. BATHRICK. Yes.

Mr. KENT. I should like to know what the immediate liability of the Government is in the gentleman's amendment?

Mr. BATHRICK. The liability of the Government is this. The Government acts as a guarantor and trustee as between the borrower and the lender. The Government does not furnish a cent of money, nor does the taxpayer, and the liability of the Government lies in the loss on the mortgages, and other countries have been lending money at 75 per cent of the value of the security for years, and have never lost a cent.

Mr. KENT. I want to know about the ultimate Government liability. As I understand the bill the primary liability is \$5,000,000?

Mr. BATHRICK. Yes; we just appropriate \$5,000,000 to start it. It is continuous, and if we get \$1,000,000 of mortgages in we issue bonds against them. We ask land buyers to furnish the money to lend to the borrowers. The Government does not furnish the money. The Government has its guaranty on the bonds, and that is its liability.

Mr. KENT. Up to the extent of \$5,000,000 to begin with?

Mr. BATHRICK. No; just to the extent of the amount of the mortgages that come in. The Government is not liable beyond the amount of the mortgages they receive. For every dollar for which the Government is liable they have two dollars in a good farm. That five millions would never be used. It is a continuous proposition.

Mr. KENT. I am in favor of the gentleman's proposition, but I want to know where it goes?

Mr. BATHRICK. Mr. Chairman, my time will soon be up, and I offer this as a last chance—the only chance, I believe, for a Government-aid bill. You must vote this up, if you want Government aid, and instruct the conferees to stand by it. If you can not do that, you must stand by the McCumber amendment just as it is, and there is nothing in it to fear. It can not possibly go into operation before the next Congress. Can you not fix it then? Here we have a farm-credit bill halfway through Congress. I believe it may be another five years before you get as good as this that far again. I say that the only thing to do is to stand by the McCumber amendment, if you do not vote my amendment up.

The forces against a real farm-credit bill are getting strong. The interests affected by a lower interest rate are being lined up. The differences of honest opinion are becoming accentuated.

Let us take this splendid chance and pass the McCumber amendment. It is crude. Nothing in it but its simplicity is a credit to its author. It is a great pity he had not given it more care. Had he done this, our present parliamentary situation might be turned to a remarkable good for the people. I hope we will not let its shortcomings be turned to evil. If you can not vote strong for my amendment, vote all else down and vote for the McCumber amendment.

The CHAIRMAN. The question is on the substitute offered by the gentleman from Ohio.

Mr. ANDERSON. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. ANDERSON. Mr. Chairman, I desire to offer an amendment to the amendment of the gentleman from Ohio.

The CHAIRMAN. The gentleman from Minnesota offers an amendment to the amendment, which the Clerk will report.

The Clerk read as follows:

Page 5, line 7, after the word "rate," insert the following:
"To be fixed by the board, not exceeding."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

Mr. ANDERSON. Mr. Chairman, I would like to be recognized on that amendment.

Mr. HENRY. Mr. Chairman, debate is closed on this.

The CHAIRMAN. Debate was closed on the substitute offered by the gentleman from Ohio.

Mr. LEVER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments to this particular proposition be closed in five minutes.

Mr. MANN. What particular proposition?

Mr. LEVER. The Bathrick proposition.

Mr. NORTON. Will the gentleman yield?

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all debate on this amendment offered by the gentleman from Minnesota and all other amendments to the substitute of the gentleman from Ohio be closed in five minutes.

Mr. MANN. Mr. Chairman, reserving the right to object, I think it is quite proper to close debate on amendments as offered very quickly; but, after all, most of these amendments will be offered in one shape or another, and we might as well make up our minds we will be here fairly late, and I hope everybody will stay until we are through.

Mr. LEVER. I understand the gentleman from Oklahoma wants two minutes, Mr. Chairman, and the gentleman from North Dakota wants five minutes.

Mr. NORTON. I would like to have five minutes on the Bathrick amendment.

Mr. LEVER. I ask unanimous consent that debate on this proposition close in 15 minutes.

Mr. MANN. And the gentleman from North Dakota to have 5?

Mr. LEVER. The gentleman from Minnesota to have 5, the gentleman from North Dakota to have 5, and the gentleman from Oklahoma to have 2, and I reserve 3 minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all debate on this pending amendment be closed in 15 minutes. Is there objection?

Mr. BULKLEY. Mr. Chairman, reserving the right to object, does that refer only to the Bathrick amendment?

The CHAIRMAN. No; debate on the Bathrick amendment is already closed. Is there objection?

Mr. BULKLEY. Does that cut out other amendments to the committee amendment?

The CHAIRMAN. It does nothing to the committee amendment.

Mr. BULKLEY. Then I do not object.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none.

Mr. ANDERSON. Mr. Chairman, the proposition of the gentleman from Ohio is in many respects preferable to the so-called McCumber amendment. The worst feature about that amendment is the provision which fixes the rate of interest upon the bonds issued by the Government to be fixed at 4½ per cent arbitrarily. That difficulty is corrected by the Bathrick bill. One other great trouble with the McCumber proposition is the requirement that the bonds should be sold at par. The Bathrick amendment corrects that difficulty by providing that they shall be sold at not less than par. Another difficulty with the McCumber proposition was that it made no provision whatever for the appointment of the so-called loan commissioner. The Bathrick proposition provides for the appointment by the President, by and with the advice and consent of the Senate.

Mr. CALLAWAY. Mr. Chairman—

The CHAIRMAN. Does the gentleman yield?

Mr. ANDERSON. I will not yield now—yes; I will yield to the gentleman.

Mr. CALLAWAY. Is not it a fact that the McCumber amendment provides that the Secretary of the Treasury shall make rules and regulations which would cover that?

Mr. ANDERSON. Yes; but that would not authorize the Secretary of the Treasury to appoint a commissioner. Now, Mr. Chairman, the amendment which I have offered simply does this: It provides that the rate of interest to be paid by the farmers shall be fixed by the board provided by the Bathrick amendment, but shall not exceed 5 per cent. Its purpose is this: The Bathrick amendment having reduced the interest rate on the Government bonds to be issued from 4½ per cent, as provided in the McCumber bill, to 3½ per cent, as provided in his amendment, it seems to me unfair to require the farmer to pay at the rate of 5 per cent, and my amendment would simply permit the board authorized to be appointed by the Bathrick amendment to fix the rate charged to the farmer at a lower percentage than 5 per cent whenever that may be possible.

Mr. NORTON. Mr. Chairman, the Bathrick substitute corrects some of the main defects in Senate amendment 89, and if this substitute could be adopted by this House with any cer-

tain assurance that it would be accepted by the conference committee I would cheerfully favor it, but, as I stated in substance a few minutes ago, I fear that if this rural credits legislation as presented to this House by Senate amendment numbered 89 is put in such a parliamentary position that it will be open to general amendment by the conference committee of the House and Senate the result will be that there will be no rural credits legislation enacted by this Congress. Now, Senate amendment 89, or the so-called McCumber amendment—

Mr. MURDOCK. Does the gentleman mean by that there must be a flat-footed concurrence in order to get legislation, in the opinion of the gentleman?

Mr. NORTON. Yes; practically that. I will say to the gentleman that I firmly believe that if we are to have any Federal rural credits legislation by this Congress we will secure it only by a concurrence now in amendment 89 without amendments or with a few restricted amendments. I believe that if this Senate amendment is opened up by amendments here in the House, so that the conferees may have the right to substitute the Hollis bill or the Bulkley bill or the Hollis-Bulkley bill, the final result will be that there will be no rural credits legislation by this Congress. The whole subject will in such case be dropped out in conference by the Senate conferees receding from the Senate amendment or by the conferees putting this important subject in cold storage by some other subtle parliamentary procedure.

In listening to the statement just made by the gentleman from South Carolina [Mr. LEVER], the chairman of the Committee on Agriculture, I could not be impressed otherwise than that he, for one, would not make any great, strenuous objection to dropping out rural credit legislation in the conference committee. Now, this Senate amendment 89 simply proposes a system of rural credits which provides direct aid by the Government. The rate of the bonds to be issued of 4½ per cent, I believe, is too high. If we should vote down every other proposed amendment or substitute, and then amend this Senate amendment by changing the rate of interest on the bonds to 3½ per cent, and provide that the bonds may be sold for not less than their face value, we will get, I believe, a fair rural credit bill.

We should also amend the rate to be charged to the farmer of 5 per cent to 4 per cent. These amendments, I suggest, are not such as will open up the Senate amendment to general amendments by the conference committee. I am thoroughly convinced that if we want rural credit legislation now there is only one thing to do—to vote down every amendment that has been proposed until we reach the McCumber amendment. Then it may be well to perfect it, as I have suggested.

There is no longer room for argument but that there is great and immediate need for the establishment of a Federal rural credit system in this country.

In discussing this subject President Taft, in his letter to the governors of the several States, dated at Beverly, Mass., October 11, 1912, said:

The need for the establishment of an adequate financial system as an aid to the farmers of this country is not quite generally recognized. The governmental initiative taken by the Department of State under instructions issued by my direction to the diplomatic officers in Europe on March 18 last has been effectively supplemented by the American Bankers' Association, the Southern Commercial Congress, and by many other bodies by whom this question has been agitated, and valuable work has been done in studying and disseminating knowledge of those great instrumentalities which have been created in foreign lands to extend to their agriculturists credit facilities equal in benefits to those enjoyed by their industrial and commercial organizations. The handicap placed upon the American farmer through the lack of such a system and the loss sustained by the whole citizenship of the Nation because of this failure to assist the farmers to the utmost development of our agricultural resources is readily apparent.

By the pronouncements of the Democratic, the Republican, and the Progressive Party platforms of 1912 the farmers of the Nation were led to believe that this Congress would give them substantial relief from the exorbitant interest rates they are paying by the enactment of legislation providing for the organization and establishment of a practical system of rural credits similar to some of the successful systems that have been long in operation in other countries.

The Democratic Party declared thus on this subject:

Of equal importance with the question of currency reform is the question of rural credits or agricultural finance. Therefore we recommend that an investigation of agricultural credit societies in foreign countries be made so that it may be ascertained whether a system of rural credits may be devised suitable to conditions in the United States; and we also favor legislation permitting national banks to loan a reasonable proportion of their funds on real estate security.

In the Republican platform it was said:

It is of the greatest importance to the social and economical welfare of this country that its farmers have facilities for borrowing easily and cheaply the money they need to increase the productivity of their lands. It is as important that financial machinery be provided to supply the demand of farm credits as it is that the banking and currency systems be reformed in the interest of general business.

The Progressive Party, through its party platform, placed itself on record "to foster the development of agricultural credit."

President Wilson, through interviews and addresses since the beginning of this Congress, has attempted to lead the farmers of the country to believe that his real, earnest, honest, and active support would be given during this Congress to securing the enactment of practical Federal rural-credit legislation at the earliest possible time after the passage of the tariff bill and the Federal reserve act.

On August 13, 1913, the President gave a statement to the press of the country in which he said, among other things, speaking of rural credits:

There is no subject more important to the welfare or the industrial development of the United States. There has been too little Federal legislation framed to serve the farmers directly and with a deliberate adjustment to his real needs. * * * This is our next great task. Not only is a Government commission about to report which is charged with apprising the Congress with the best methods yet employed in this matter, but the Department of Agriculture also has undertaken a serious and systematic study of the whole problem of rural credits. The Congress and the Executive working together will certainly afford the needed machinery for relief and prosperity to the people of the countryside, and that very soon.

The Government commission referred to in this statement of the President has long since made its report to Congress. A year ago extensive and exhaustive hearings on this subject were held by subcommittees of the Senate and the House Committees on Banking and Currency. Copies of these hearings have been available to all Members of Congress for many months. The press of the country, particularly the agricultural newspapers and magazines, have given wide discussion to this subject since many months before the beginning of this Congress.

President Wilson in his message to the present Congress at the beginning of our second session on December 2, 1913, again professed in pleasing terms his allegiance to the establishment of a rural-credit system for this country. The President then said:

We must add the means by which the farmer may make his credit easily available and may command when he will the capital by which to support and expand his business. We lag behind the many other great countries of the modern world in attempting to do this. Systems of rural credits have been studied and developed on the other side of the water while we left our farmers to shift for themselves in the ordinary money market. You have but to look about you in any rural district to see the results, the handicap, and embarrassment which have been put upon those who produce our food.

As is well known to many Members in the House to-night, the President during the consideration preceding the passage of the Federal reserve act gave different Members of the Congress to definitely understand if they withdrew their opposition to certain features of the Federal reserve act he would use his influence to have the subject of rural credits taken up by Congress as next on the administration's legislative program, after the passage of the Federal reserve act. In the light of all this, the opposition in the House during this session and during the second session of this Congress, by recognized leaders of the administration, to the enactment of any rural-credit legislation is strange indeed, to say the least. How much longer are the American farmers to be uncombed by the fulsome promises and pleasant sounding phrases of this administration? Do party platforms mean nothing? Do the President's declarations to the country on this subject mean nothing? Are the recognized and admitted urgent needs of the farmers of the country to be given no real relief by this administration and by the majority in this Congress? It would seem not. Has anyone in this Chamber discovered the slightest influence of the President being exerted during the past 10 months to bring about the enactment of rural credit legislation by this Congress? I think not. Rather such influence as has come from the Executive and his Cabinet during the past year has strongly tended to prevent this Congress from the enactment of rural-credit legislation and the establishment of a system of rural credits for this country.

Secretary of Agriculture Houston in his annual report for 1914, speaking of this problem of rural credits, says:

The chief difference of opinion arises over whether there should be special aid furnished by the Government. There seems to be no emergency which requires or justifies Government assistance to the farmers directly through the use of the Government cash or the Government's credit. The American farmer is sturdy, independent, and self-reliant. He is not in the condition of serfdom or semiserfdom in which were some of the European peoples for whom government aid was extended in some form or other during the last century. He is not in the condition of many of the Irish farmers, for whom encouragement and aid have been furnished through the land-purchase act. As a matter of fact, the American farmers are more prosperous than any other farming class in the world. As a class, they are certainly as prosperous as the merchants, the teachers, the clerks, or the mechanics. It is necessary only that the Government, so far as geographic and physical conditions permit, provide machinery for the benefit of the agricultural classes as satisfactory as that provided for any other class, and this the Government has attempted and is attempting to do.

More pleasing phrases for the American farmer, who begins his daily toil long before the sunrise and who ceases not his labor until long after the sun has gone to its rest. The compliment Secretary Houston pays the American farmer in saying that he is sturdy, independent, and self-reliant is all well deserved. But it means nothing in particular. The same compliment might be paid to the bushman of Australia. Secretary Houston should have added that the American farmer is intelligent; that he is to-day thinking of the fact that in North Carolina he is paying interest on land loans at the rate of from 6 to 20 per cent; that in North Dakota he is paying interest on his land loans at the rate of from 7 to 12 per cent; that throughout these United States he is paying an average interest cost of about 8½ per cent per annum on his over \$6,000,000,000 of indebtedness; and that in other countries where Government aid has been given to rural credits farmers are paying but from 3 to 4 per cent on land-mortgage loans and slightly higher rates on short-time credits. Yes; I would say to Secretary Houston the American farmer is sturdy, independent, self-reliant, and, in addition, it should not be forgotten that he is intelligent. His intelligence is such that he realizes that pretty compliments as to his sturdiness, independence, and self-reliance will not in any way assist in lessening the burden of exorbitant interest rates that he has been long obliged to bear. It has been heralded in the newspapers during the past few days, and we have been told even on the floor of this House to-day, that the President would veto any rural credit legislation that this Congress might pass containing a provision for direct Government aid to rural credits. Does anyone believe that reports and statements of this kind and character are permitted by the President and the administration leaders to be circulated and to go unchallenged for the purpose of assisting in the enactment of rural credit legislation by this Congress? Quite the contrary. If no rural credit legislation is enacted by this Congress, and it now appears to-night as if there would be none, it will be clearly because the President and the money lenders of the country are opposed to any Federal rural credit system providing for Government aid to the system.

But let me ask why should the President or the leaders of the administration be so fearful of extending Government aid and support to a financial system framed to serve the agricultural interests of this country? It must be conceded that our present banking and currency system is framed to serve commerce and the industries other than agricultural. That our banking and currency system has long discriminated against agriculture is well known. That there is need for a distinct system of finance to meet the requirements of the farmer is certain. It can be readily recalled that there was no opposition on the part of the President to lending the aid of the Government to the establishment of the present Federal reserve banking and currency system. Under this system the Federal reserve notes that are issued by the Federal Reserve Board, and turned over to the Federal reserve banks for their use and without any interest charge whatever, are made the direct obligations of the United States. No objection, so far as I have been able to learn, has been made by the President to thus lending the credit of the Government to the banking and commercial interests of the country.

When last year, under the provisions of the Vreeland-Aldrich Act, millions of dollars of currency, the payment of which was made the direct obligation of the Government, was loaned bankers, and at 2 and 3 per cent per annum, no protest against this Government aid to bankers and gamblers in bonds and stocks came from the President, his Cabinet members, or his spokesmen in or out of the Congress.

The President a few months ago was most active in having a War Risk Insurance Bureau established for the insurance by the Federal Government of ships engaged in foreign commerce, and millions were appropriated out of the Federal Treasury for the purpose of carrying on this business, which will chiefly benefit shipowners and commercial interests. More recently the President, members of his Cabinet, and recognized leaders of the administration program in Congress have been unprecedentedly active in endeavoring to have \$30,000,000 or \$40,000,000 appropriated out of the Federal Treasury to buy ships from the Shipping Trust and others. While it was claimed that putting the money of the Government into the purchase and construction of ships, as proposed in the so-called ship-purchasing bill, would indirectly benefit the whole country, it unquestionably would have been a direct and immediate benefit to the people living in towns and cities on the seaboard, to those merchants engaged in foreign commerce, and to the sailors and seamen employed on the ships.

Commercial interests, bankers, railroads, and the Shipping Trust have influence enough to have Federal legislation, involv-

ing Government aid, rushed through this Congress for their relief; but when the farmers of this Nation seek from the Congress the character of legislation that has been granted to the farmers of almost every other civilized nation of the world, they are told in effect to be patient and to watchfully wait for the future.

Government aid is not a new or untried experiment. The reports and evidence now before the Congress clearly show that in all the history of the success or failure of rural credit systems in other countries, there is not one single instance of the success of a land-mortgage system on the long-time amortization plan organized to encourage agricultural industry and the ownership of farm homes which has not had Government financial aid.

Direct Government loans are being made to farmers by Australian Provinces, Denmark, Great Britain, New Zealand, Russia, and Sweden. Bonds or debentures issued by land-mortgage institutions are guaranteed by the central or by provincial Governments in the following countries: Germany, Austria, Australia, Norway, Switzerland, Egypt, Mexico, Argentina, and Uruguay. These nations have given aid to their rural-credit systems by contributing endowments to the capital stock of land-mortgage institutions: France, Germany, Italy, Hungary, Roumania, and Sweden.

Subscriptions to the capital stock of land-mortgage banks have been made by Denmark, Switzerland, Hungary, Roumania, Norway, Chile, and the Philippine Islands. In France, Italy, Japan, Serbia, and Chile funds of the Government are loaned to land-mortgage institutions. At another time I have discussed more in detail the operation of some of the Government-aided rural credit systems in Europe, Australia, and New Zealand. I want now to call your attention more particularly to rural credit systems as found in South America.

The largest public-land credit institution in the Argentine Republic is the Banco Hipotecario Nacional, which was founded in 1886. Loans may be granted by this bank on any lands for sums not exceeding \$1,930 and for a term not exceeding five years, repayable in lump or by installments. Loans may be made to farmers up to 80 per cent of the value of the mortgaged property as determined by the assessment for the land tax, the maximum loan not to exceed \$2,895. The Government guarantees the interest and principal of the notes and debentures which the Banco Hipotecario Nacional is authorized to issue in financing its operations.

Ambassador Herrick in his recent book on Rural Credits makes this very interesting statement concerning the land-mortgage credit system in Chile:

Land credit was organized in Chile while the Indian and buffalo in western United States could roam from the Gulf of Mexico to the Canadian border without crossing a railroad track or seeing the face of a white settler. Loans of 33 years, repayable by annuities, were being granted in Chile when the farmers of Kansas were losing their homesteads by the foreclosure of three and five year mortgages. Chilean mortgage bonds or debentures are officially listed on the Paris Bourse and have been made legal investments by the French ministry of finance for all purposes for which even Government bonds may be used. They are bought also by English bankers and find a ready market in other parts of the European Continent where offers of American mortgage bonds would be refused.

The Chilean land-credit law was enacted in 1855, three years after that of France, and it has proved so satisfactory that very few amendments have been made. The law is a general one, allowing any persons who comply with its terms to form a company. A number of companies have been formed thereunder and are doing a good business. Nevertheless they operate at a disadvantage, because of the fact that the Chilean, like the French, Government organized a State bank under the general law, and although it has not given this institution a monopoly it has invested it with such privileges that no others can compete with it successfully. It holds two-thirds of the mortgages taken by bond-issuing land banks in Chile, and it is able to hold so many more than its competitors that it absolutely dictates the rate of interest.

This institution is called the Caja de Credito Hipotecario or Chilean State Land Mortgage Bank. It has no capital stock or shareholders. It is owned and managed by the Government, and the net profits are used for the benefit of borrowers or for creating or supporting savings banks. * * * The Caja de Credito Hipotecario lends on the security of unencumbered real estate situated in the Republic up to a maximum of one-half its value for ordinary borrowers and three-fourths its value for the purchase or construction of cheap dwellings.

* * * The bonds of the bank have been made legal investments for all persons and purposes and have been purchased in large amounts by the Chilean Government, not only because of their intrinsic soundness but in order to give them a popular currency. The bonds are guaranteed by the State, which has for its own protection the mortgages taken from borrowers and the reserve.

While we have given to the South American Republics many valuable lessons in science, invention, commerce, and trade, we may in turn well take to ourselves a lesson from the rural-credit systems long in operation in some of these countries.

The tendency to abandon agriculture and to seek the larger centers of population has in this country, as in Europe, become a serious problem for solution. This tendency not only increases

the cost of living to all our people, but is a real menace to the stability and existence of the Nation. During the decade from 1900 to 1910 the percentage of increase of the urban population of the United States was more than three times as great as the percentage of increase of our rural population. In 1880 our urban population was 29.5 per cent of our total population, and our rural population was 70.5 per cent of the total population. In 1910 the urban population had increased to 46.3 per cent of the total population, and the rural population had decreased to 53.7 per cent. The nations of continental Europe have had to meet this problem, and each nation has proceeded to solve the same after its own manner, and in the way best adapted to its peculiar condition and customs. Modern and scientific methods of production, cooperative marketing, social farm organizations, personal-credit associations, and long-time land-mortgage institutions, have each contributed an important part in its successful solution. The importance that rural credit systems have taken in the solution of this economic problem is evidenced by the general acknowledgment that the teeming millions of many of these nations would not to-day find enduring existence were it not for the special means that have been taken for financing the farmer and the landowner so that credits necessary to carry on the industry of agriculture are obtained at comparatively low interest rates.

In 1910 our farm property in this country was valued at \$40,991,449,090. The number of our people engaged in farming was 12,285,579.

The value of the farm products produced that year was \$8,417,000,000. From the proceeds received from the sale of their farm products our American farmers, it is estimated, pay each year in interest \$510,000,000, being interest at the rate of 8½ per cent on their indebtedness of \$6,000,000,000. This heavy interest charge that our farmers are required to pay and which is one of the main causes tending to decrease our farm population amounts in the aggregate to nearly as much as the total value of the annual wheat crop of our Nation, the value of which, on the farm in 1910, was \$561,051,000. This enormous interest charge was 60 per cent of all the farm products of every kind, both vegetable and animal, exported from this country in 1910. As the rural credit system, which the bill, or Senate amendment, before us proposes to create will, directly or indirectly, affect every man, woman, and child in this country, individually and collectively, since the benefits it will provide will result in largely increasing the food supply of the country, we should not be swerved from our plain and patriotic duty to support this legislation by the cry from the money lenders that it should be defeated because it extends Government aid to the farmers of the country. There is no class of our citizens that is so vital to the life of the Nation as our farmers; no class that is more worthy and more entitled to the encouragement and protection of this Government. Shall they longer be denied the governmental protection and encouragement that has long been granted to the farmers of other civilized nations? I trust not. The enactment of this land-mortgage rural credit legislation will be a long step in the direction of making American farm life more attractive, more happy, and more profitable. It should be soon followed and supplemented by legislation providing for a system of personal or short-time rural credits and by legislation providing for a nation-wide cooperative marketing system.

The CHAIRMAN. The time of the gentleman has expired. The gentleman from Oklahoma [Mr. FERRIS] is recognized.

[Mr. FERRIS addressed the committee. See Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. ANDERSON] to the substitute of the gentleman from Ohio [Mr. BATHRICK].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The question is now on the substitute offered by the gentleman from Ohio [Mr. BATHRICK].

The question was taken, and the Chairman announced that the yeas seemed to have it.

Mr. BATHRICK. Division, Mr. Chairman.

The committee divided, and there were—ayes 36, yeas 91.

So the substitute was rejected.

Mr. CARAWAY. Mr. Chairman, I have an amendment which I wish to offer.

The CHAIRMAN. Is the gentleman offering an amendment or a substitute?

Mr. CARAWAY. It is an amendment in the nature of a substitute.

The CHAIRMAN. The gentleman from Arkansas offers a substitute for the committee amendment which the Clerk will report.

Mr. MORGAN of Oklahoma. Mr. Chairman, a parliamentary inquiry.

Mr. MANN. Mr. Chairman, I submit there can not be a substitute for the substitute. There can be an amendment to the substitute.

The CHAIRMAN. The gentleman from Arkansas [Mr. CARAWAY] offers an amendment.

Mr. MANN. There is a difference in the status. That is the reason.

The CHAIRMAN. The gentleman from Arkansas moves to strike out all after the word "that."

Mr. MORGAN of Oklahoma. Mr. Chairman, I have an amendment to the McCumber amendment.

The CHAIRMAN. The Chair will recognize the gentleman from Oklahoma after a while. The Clerk will report the amendment of the gentleman from Arkansas.

The Clerk read as follows:

Amendment to the substitute:

Strike out all after the word "that" and insert the following:

"Sec. 1. That there is hereby created in the Department of the Treasury at Washington, District of Columbia, a commission to be known as a rural credits commission, said commission to be composed of five members, appointed by the President, by and with the advice and consent of the Senate. These commissioners shall be selected from the various sections of the United States, and three of whom shall be actual bona fide farmers, who have no other occupations. Two shall be men of business affairs and recognized financial ability. The said rural credits commission shall herein be referred to as the 'commission.' They shall elect one of their members chairman.

"Sec. 2. That at first said commissioners shall be appointed for one, two, three, four, and five years, respectively, and after that their terms of office shall be for five years each, unless removed by the President for cause. The salary shall be \$7,500 each, payable quarterly.

"Sec. 3. That the Secretary of the Treasury shall assign them rooms for the conduct of their business, and they shall have power to appoint clerks and employ assistants that may be necessary for the transaction of the business of the department.

"Sec. 4. That said commission shall have power to prescribe all rules and regulations necessary for carrying into effect the provisions of this act and for the conduct of the business of the department.

"Sec. 5. That all postmasters throughout the United States and Territories thereof, and the District of Columbia, for the purpose of carrying this act into effect and for the proper conduct of its business, shall be the agents of the commission and perform whatever services may be required of them without pay.

"Sec. 6. That the purpose of this act shall be to enable farmers to procure long-time loans at low rate of interest, to purchase farms, or to develop and extend their agricultural productiveness. The word 'farmer,' as herein used, shall mean one who actually resides upon his farm and is engaged in the business of farming, and the benefits of this bill shall be applicable to farmers residing in any State or Territory of the United States of America or the District of Columbia. The loans herein contemplated shall run in series of 5, 10, 15, 20, 25, and 30 years, at the option of the borrower, interest to be payable annually. The terms of such loan shall provide that at any interest-paying date beyond five years the borrower shall have the option to pay the principal, or to make payment of \$100, or any multiple thereof, and upon such payment being made the interest on the amount so paid shall cease. Payment may be made at any post office or national bank. No person shall be entitled to a loan unless he actually resides upon his farm, or shall use the loan in payment of lands upon which he shall immediately fix his home. The amount of the loan shall be determined by the commission herein created, except anyone applying who is entitled to the loan shall, if he desires, receive as a loan as much as 50 per cent of the actual value of his lands and 25 per cent of the actual value of the improvements thereon, and as much more as may, in the judgment of the commission, be safe and prudent to extend him.

"Sec. 7. That all securities or deeds of trust executed by anyone to secure a loan hereunder shall be made payable to the chairman of the commission as the trustee for the United States of America. Said instrument shall recite the amount of the loan and date of maturity, but shall not name the rate of interest to be paid thereon. Said instrument must be executed by the borrower according to forms of the State or Territory in which the lands are situated and in conformity with the rules and regulations prescribed by the commission. In addition to executing the said instrument herein referred to the borrower shall execute notes with coupons attached for interest periods named in said deed of trust and in the form that may be prescribed by the commission. These coupons are redeemable or payable at any national bank or any post office of the first, second, or third class. These notes, securities, coupons, and obligations and funds shall not be subject to taxation—municipal, State, or national. The title to said lands shall be shown by a suitable abstract, which shall be forwarded with the application for the loan, except in those States where the Torrens system may prevail, and in those States the certificate of the State shall be sufficient evidence of title. There shall be proper officers appointed for the examination of titles, for which services no fee shall be charged.

"Sec. 8. That a farmer desiring to avail himself of the provisions of this act shall file with the local postmaster a written application under oath setting forth the security he has to offer, the amount of the loan he desires, and the purposes for which he desires it, and such other facts as may be required by the commission. Whereupon the postmaster shall appoint two committees, consisting of three members each; the first named of each shall act as chairman of his committee. The first committee shall consist of three farmers residing in the immediate vicinity of the farm upon which the loan is desired, and who shall be familiar with its value, and they shall make an appraisal of the value of the lands and the improvements thereon separately. Said appraisements shall be under oath and secret and shall be filed with the postmaster appointing said committee. The second committee shall consist of three men of affairs who are familiar with the land and improvements upon which the loan is sought and with the general conditions in that vicinity, as to whether values of real estate are advancing or declining and whether the applicant is a progressive farmer or otherwise. They shall likewise appraise the farm and improvements and give whatever other information may be necessary to determine the hazard of the loan. These appraisements shall likewise be secret and made under oath and filed with the postmaster appointing said committees. When these appraisements are received by the

postmaster the postmaster and the chairmen of the two committees shall proceed to open the appraisements and to make therefrom a just and accurate appraisal of the property, both lands and improvements, and transmit the same to the chairman of the said commission at Washington, together with whatever other information may be necessary with reference to the applicant in the loan sought, to enable the commission to determine the amount to be loaned, if any. When the application is received and approved by the said commission it shall cause to be forwarded to the postmaster from whom it was received the necessary notes and instruments to be executed by the borrower, who shall execute them in the manner prescribed by the commission and return to said commission. Thereupon said notes and instruments for the loan shall be sold in the open market for par at the lowest rate of interest procurable. The proceeds of said sale shall be transmitted to the borrower. The borrower shall not only pay the rate of interest agreed upon in said sale, but shall pay whatever per cent may be necessary for the amortization of said loan at maturity thereof. The per cent for amortization shall be fixed by the commission.

"Sec. 9. That the moneys paid in order amortization herein provided, for shall be a trust fund available for the payment of any interest or principal that may be due and unpaid on any loan made under the provisions of this act, and shall be deposited in the Treasury of the United States or put out at interest, as may be determined by said commission.

"Sec. 10. That if any borrower shall make default in the payment of principal or interest under the provisions of his loan, then, under such rules and regulations as the commission may prescribe, his lands shall be seized and sold subject to the terms of the loan, and for the purpose of said seizure and sale suit may be brought in the name of the commission, and all district attorneys are hereby authorized and commanded to prosecute said suits without fee. Said suits shall be in the United States district court for the district in which the lands are situated. From the proceeds of said sale all costs shall be first paid, and accrued interest and principal, if due, and the residue, if any, shall be paid to the borrower. Real estate sold under the provisions of this act may be redeemed from said sale by anyone holding the equity therein within one year from the date of sale.

"Sec. 11. That the United States of America shall guarantee the payment of all interest and principal of loans procured under the provisions of this act.

"Sec. 12. That no loan shall be in excess of \$5,000. If the premises mortgaged under the provisions of this act shall pass into the ownership of anyone who is not a bona fide farmer the indebtedness shall at once become due and payable. If anyone shall acquire lands upon which there is a loan under the provisions of this act in excess of \$5,000, the excess of \$5,000 shall at once become due and payable.

"Sec. 13. That this act shall be in force from and after its passage."

Mr. CARAWAY. Mr. Chairman, I want to be heard just a few moments.

Mr. LEVER. Mr. Chairman, before the gentleman proceeds, I would like to ask unanimous consent that the debate on this amendment and all amendments thereto be closed in 15 minutes.

Mr. CARAWAY. I would like to have 10 minutes.

Mr. CALLAWAY. And I would like to have 5 minutes.

Mr. HUGHES of Georgia. I would like to have 5 minutes.

Mr. LEVY. And I desire 5 minutes.

Mr. MORGAN of Oklahoma. What is the request of the gentleman?

Mr. LEVER. I request that the debate on the amendment offered by the gentleman from Arkansas [Mr. CARAWAY] and all amendments thereto be closed in 20 minutes.

Mr. MADDEN. I suggest to the gentleman 30 minutes.

The CHAIRMAN. The gentleman from South Carolina [Mr. LEVER] asks unanimous consent that the debate on this amendment and all amendments thereto close in 20 minutes, 5 minutes to be used by the gentleman from Arkansas [Mr. CARAWAY], 5 by the gentleman from New York [Mr. LEVY], and 5 by the gentleman from Georgia [Mr. HUGHES], and 5 by the gentleman from Texas [Mr. CALLAWAY]. Is there objection?

Mr. LEVY. I want 5 minutes.

Mr. CARAWAY. I had 10 minutes on that, Mr. Chairman, by the agreement.

Mr. LEVER. I can not hear what the gentleman says.

Mr. CARAWAY. I say I was to have 10 minutes of that time.

Mr. LEVER. Well, I will modify the request, Mr. Chairman, by making it 25 minutes, so that the gentleman from Arkansas [Mr. CARAWAY] may have 10 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Arkansas [Mr. CARAWAY] is recognized for 10 minutes.

Mr. CARAWAY. Mr. Chairman and gentlemen, if you will hear me patiently for a few minutes on this amendment, I should like to explain what I think are the essentials of a rural credits system. I think this Government will have performed its full duty to the farmers of this country when it has brought the farmer who wishes to borrow money into contact with the man who has money to loan at a rate of interest agriculture can afford to pay.

This bill undertakes to accomplish that and nothing more. It undertakes to create in the Department of the Treasury a commission to be known as the rural-credits commission, to be composed of five men, three of whom shall be farmers and two shall be men of affairs, business men. These men have plenary powers to prescribe all the rules and regulations for the putting into operation of the act and for the conduct of the busi-

ness designed to be accomplished by this bill. This commission has the power to employ all agents and employees for the conduct of the business to be transacted.

It defines a farmer as one engaged exclusively in the production of agricultural products. No one shall enjoy the benefits of this act except farmers. This class of people shall be entitled to borrow money under the bill at the rate of interest that may be procured under its provisions. The farmer applying for a loan shall have a committee to examine his property and determine its value. When that has been ascertained the appraisement shall be forwarded to the commission in Washington, and that commission shall determine what amount, if any, the farmer is entitled to borrow. However, it is provided that if he is entitled to borrow at all, he is entitled to borrow 50 per cent of the value of the land and 25 per cent of the value of the improvements.

Mr. SAMUEL W. SMITH. Mr. Chairman, will the gentleman yield there?

The CHAIRMAN. Does the gentleman from Arkansas yield to the gentleman from Michigan?

Mr. CARAWAY. Yes.

Mr. SAMUEL W. SMITH. What rate of interest is proposed in your amendment?

Mr. CARAWAY. I will explain that in a moment. The idea I had in making a loan value upon the improvements is this: I realize that a piece of land without any buildings will produce as much corn or cotton as if it were highly improved with a brick mansion and a fine barn, but we know that a man can not raise his family under conditions like that; and I want, therefore, to incorporate a provision in the bill to the effect that the farmer may borrow money on his improvements. It suggests to him that improvements have value, and it provides him with the means of making them.

When the application is made and accepted the farmer executes his note and deed of trust or mortgage and returns it to the commission. The note names the amount that he wishes to borrow and the number of years it shall run, but leaves blank the rate of interest. This obligation is offered upon the open market to be sold at par, and the rate of interest is determined at the time of its sale, because, I undertake to say, the farmer has no right to have the Government say his rate of interest shall be 3 per cent or 6 per cent, but has the right to say that he shall be brought into contact with the men who have money to loan, and then he shall contract with them at whatever rate of interest they are willing to let him have the money, and nothing more.

Mr. COOPER. Suppose they would want to charge him 15 per cent?

Mr. CARAWAY. I do not think he would pay it.

Mr. COOPER. Does not the gentleman believe in a usury law or a law fixing the maximum rate of interest that can be legally charged?

Mr. CARAWAY. Yes. If the gentleman will pardon me a moment, I think I will show him the advantage of my plan. As I said, the rate of interest is left blank. The Government guarantees that the provisions of this contract made with the farmer shall be carried out; that is, that the interest shall be paid when due, and that the amount of the loan shall be paid at its maturity. There is an amortization feature with the loan. The farmer shall pay whatever per cent the commission shall fix, and shall pay it into a common fund out of which this commission may pay the interest when due and the mortgage at its maturity. Therefore the Government loses nothing by its guaranty, because every man who participates in the loan will be primarily liable. The interest of the man who loans the money will be paid promptly, because it is paid out of a common fund. He can take his voucher to a national bank and have it cashed. The guaranty of the Government is largely psychological.

Mr. NORTON. If it is psychological, it ought to meet with the President's approval. [Laughter.]

Mr. CARAWAY. You have this condition: You have a bond issued by a farmer that is guaranteed by a common fund paid in by all who participate in the system, and back of that you have the Government guaranty. Therefore you have a bond that anyone will be willing to invest in who is willing to invest in a Government bond, and at the same rate of interest. It will make the rate of interest of a man living in Arkansas the same as it would be in Massachusetts.

Mr. J. M. C. SMITH. The only Government aid is the guaranty?

Mr. CARAWAY. It is the Government guaranty back of this common amortization fund. The Government can not possibly be compelled to pay a cent, yet it gives to the lender that sense of security that he realizes that back of all of it is the guar-

anty of the Government that every provision of his contract will be complied with.

Mr. SAMUEL W. SMITH. Do you not think the farmer ought to get his money at as low a rate of interest from the Government as anybody else?

Mr. CARAWAY. Yes; and I think under the provisions of this bill 3½ per cent would be the maximum rate he would have to pay. Now, if he does that, it has this advantage: It does not bring him into contact with commercial banks; it does not take from the commercial banks the money that heretofore has been invested in commercial or manufacturing enterprises. It does not disturb the local interest rate. It simply permits this great fund that is now accumulating in savings banks and in postal savings to be utilized for farm loans. That is all. It gives the farmer as low a rate of interest as this Government can command, and it does not cost the Government a cent. In addition to that, the farmer, under the provisions of this bill, is restricted to \$5,000. If he borrows that, he can borrow no more, and if he purchases land upon which an amount in excess of \$5,000 has already been loaned, under the provisions of this bill the excess must be due and payable; or if the premises upon which the loan is made has passed out of the hands of the farmer and into the hands of some man who is a speculator, the loan becomes due and payable. The reason that provision ought to be in the bill is that, as I understand it, rural credit is intended to render it possible for poor men to acquire homes, not to facilitate speculation in land. No system which does not carry this restriction ought to be enacted into law, because we want to make this a Nation of home owners, not of land speculators.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HUGHES of Georgia. Mr. Chairman, I think this House ought to pass a rural-credit bill, and conditions are such that it can now do so.

The farmers of this country pay a higher rate of interest than any other class of business men in this land. Only a few days ago, in the city of Washington, I was talking with a gentleman high in financial circles, and he presented to me a list of farmers who were borrowing money from banks. The lowest rate of interest exhibited to me was 25 per cent, and the highest rate was over 100 per cent. How on earth the farmers of this country have been able to sustain themselves, how they have been able to live, is a mystery, only explainable by the fact that they have used the most rigid economy.

Mr. MADDEN. Will the gentleman yield?

Mr. HUGHES of Georgia. I regret to say that I can not yield; I have only a few minutes.

Mr. MADDEN. The gentleman has made a statement that ought not to go unchallenged.

Mr. HUGHES of Georgia. I can sustain my statement.

I wish to say this, Mr. Chairman, that I favor the Caraway bill. I shall vote for it as a substitute. It is a bill that is short and comprehensive, and it covers the entire ground. It is so plain that you are not forced to employ an array of counsel to have it explained.

Mr. Chairman, I am opposed to the amendment of the bill as presented by the Agricultural Committee. When the bill is perfected, as it is said, I am in favor of placing dynamite under the bill with all the amendments and blowing it to atoms, and then agree to the Senate amendment, the McCumber bill. [Laughter and applause.]

Mr. LEVY. Mr. Chairman, in my opinion the McCumber amendment was proposed solely as a political move to discredit the Democratic Party. It is not sound from an economic standpoint, and if adopted would be, and should be, vetoed by the President. [Applause.]

The idea of allowing two or three individuals to get together and upon their own valuation of their property demand a loan thereon from the Government is absurd on its face. [Applause.] The bill goes further than this, and even requires the Government to borrow the money in order to make the loan [laughter], and then there is no limit to the amount which such borrowers can demand that the Government must borrow for their benefit.

It is a more absurd dream than the wildest "greenbacker" ever dared to indulge in, and if it should become a law would make the Democratic Party the laughingstock of the country and deservedly drive it from power. [Applause.]

The Hollis bill, on the contrary, is based on sound economic principles. No one can read it without being impressed with the care with which it has been drawn and the knowledge of the subject on the part of its authors. The principle involved is to provide the machinery by which permanent capital of the country may be made available to its agricultural interests, that the security which the farmer can offer, which is the best in the world, may be put in negotiable form whereby it may be

utilized by investors, and the farmer thereby be benefited through a broad and national market. [Applause.]

This machinery under the Hollis bill provides the necessary safeguards to induce the holders of capital to invest in farm-loan bonds and does not seek through eleemosynary efforts to obtain the capital of the country by governmental intervention.

I heartily indorse the Hollis bill and consider it a fine piece of constructive work, as a companionable piece of legislation to the Federal reserve act, though I do not think this is the proper time to pass it. [Applause.]

Mr. CALLAWAY. Mr. Chairman, this is the proposition we are up against: Some Members of this House believe in Government aid to rural credits. [Applause.] Some Members of the House do not believe in that character of legislation. Those who believe in Government aid to rural credits will not get any Government aid to rural credits unless we get the McCumber amendment. [Applause.] Those who do not believe in Government aid to rural credits can go off after the other side that want to lead us into the bogs and brier patches and lose us on the Bulkley-Hollis amendment. That is exactly the attempt of the forces in trying to defeat rural-credit legislation of this Congress. Their policy is, divide and conquer.

They know that we do not all know about this question. We have not studied it; we have been engaged in other matters, and they take advantage of the ignorance of the House on this question and bring in this Hollis provision which will divide us, throw the matter into conference, and they hope by that to get away from any rural-credit legislation at all at this session.

Mr. GORDON. Will the gentleman yield?

Mr. CALLAWAY. Yes.

Mr. GORDON. Does the gentleman understand that the only kind of rural credit which should be provided for is to lend the credit of the Government to the farmers?

Mr. CALLAWAY. That is the only kind that will do him any good. [Laughter and applause.]

I have been in the farm-loan business, a practicing lawyer and a farmer, too, since 1900, and we have got the same kind of a scheme in every considerable city in our country—that is, go out and supervise the farmer, show him how to organize himself into a company, and finance a loan concern where he can borrow his own money—and they are working it all over the country. They have gone into this kind of a scheme as much as they are going to, and the president of the Farmers' National Union, and the president of the Grange, at the Powhatan Hotel two weeks ago, told Members of this House that went to see them and talk about rural-credit legislation, that in their national meeting at Fort Worth they went over the Hollis bill and decided that they could not use it, and did not want it at all.

This scheme reminds me of a nice bridge that Walter Lowdermilk built across a slough in Rush Creek bottom. There was an awfully bad lane running through the bottom and across it a slough. Walter Lowdermilk was ordered to build a bridge across the slough. He got up his plans and specifications, procured the material, and built the prettiest bridge you ever saw, but he forgot to make any provision to get on it; you could not get on it at all. [Laughter.]

The CHAIRMAN. The time of the gentleman from Texas has expired. The question is on the amendment offered by the gentleman from Arkansas [Mr. CARAWAY].

The question was taken; and on a division (demanded by Mr. CARAWAY) there were 31 ayes and 82 noes.

So the amendment was rejected.

Mr. MORGAN of Oklahoma. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

Mr. LEVER. Mr. Chairman, evidently the amendment that is offered by the gentleman from Oklahoma is a long amendment, and I ask unanimous consent, with his consent, that it be printed in the Record and that he be allowed to proceed for 10 minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that the amendment may be printed in the Record and that the gentleman from Oklahoma may proceed for 10 minutes. Is there objection?

Mr. MANN. Oh, if we have to vote on this amendment, it ought to be read.

The CHAIRMAN. The gentleman from Illinois objects.

Mr. MORGAN of Oklahoma. Mr. Chairman, I think I can explain it in a few minutes.

Mr. MANN. I know the gentleman can not, for I have listened to him for an hour or two, though I think that is not the gentleman's fault. If the gentleman is offering the amendment not to be adopted, it ought not to be offered. It is too late

in the day to offer anything as bunk, and I am quite sure that the gentleman from Oklahoma is not doing that.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that the gentleman from Oklahoma may have the amendment printed in the Record and may proceed for 10 minutes. Is there objection?

Mr. MANN. Mr. Speaker, I object.

Mr. MADDEN. Mr. Speaker, I object.

Mr. MANN. If the amendment is to be voted on it ought to be read.

The CHAIRMAN. The Clerk will read.

The Clerk read the amendment, as follows:

The national land bank is hereby created, and under such name is hereby declared to be a corporate body of the District of Columbia, and by such name shall be known and have perpetual succession, with the powers, limitations, and restrictions herein contained, unless otherwise provided by Congress.

OBJECT OF CORPORATION.

SEC. 2. That the object of the national land bank shall be to provide for the general welfare of the people of the United States through the development and expansion of agriculture and to establish better credit facilities and cheaper interest for the farmers of the United States.

MANAGEMENT.

SEC. 3. That the national land bank shall be controlled and managed by a board of directors, consisting of five persons. The board of directors shall be appointed by the President, by and with the advice and consent of the Senate. The terms of office of the directors shall be for four years, except that the persons first appointed on said board shall hold their offices for one, two, three, four, and five years, respectively.

ORGANIZATION.

SEC. 4. That within 30 days after their confirmation the directors, under the call of the Secretary of the Treasury, shall convene, take the oath of office, and proceed to organize and enter upon their duties. The Secretary of the Treasury shall provide the said national land bank with suitable rooms in which to conduct the business of the bank until otherwise provided by law.

The national land bank shall be under the supervision of the Secretary of the Treasury, who shall have the same authority over said bank as he has by law over national banking associations so far as such laws are applicable and do not conflict with specific provisions herein, and the Secretary of the Treasury shall have and exercise such additional authority as shall be herein given him.

BANK OFFICERS.

SEC. 5. That the President shall designate one of the directors as the president of said bank and one as the secretary-treasurer thereof. All of the directors shall devote their time exclusively to the duties of their offices and in conducting the business of said bank. The president shall receive a salary of \$6,000 per annum, the secretary-treasurer shall receive an annual salary of \$5,000 per annum, and the other directors shall each receive a salary of \$3,000 per annum.

The directors of said bank are authorized, under the approval of the Secretary of the Treasury, to employ such clerks, assistants, inspectors, and other employees as shall from time to time be necessary to conduct its business.

That for the first 10 years after the organization of such bank the salaries of the officers, directors, and all other employees of said bank shall be paid by the United States, and thereafter the same shall be paid by the bank, unless otherwise provided by Congress.

ADVISORY BOARD.

SEC. 6. That the governors of the several States shall appoint one person from each State, who shall constitute the advisory board of the national land bank. Should the governor of any State fail to make such appointment, the Secretary of the Treasury is hereby authorized to make the appointment. No person shall be a member of such advisory board who is not a bona fide farmer. But no person shall be eligible as a member of said advisory board who is an applicant for a loan from said bank, or has received a loan from said bank, and no loan shall be granted to a member of the advisory board. The members of the advisory board shall receive no salaries, but they shall be paid their actual expenses when attending meetings of said board, and shall be allowed \$10 per day for time actually employed in attending meetings of said board. The advisory board shall meet annually at Washington, D. C., unless otherwise directed by the Secretary of the Treasury. It shall be the duty of members of the advisory board to aid the directors of the national land bank by furnishing information relating to their respective States pertaining to the loan business, to present matters in behalf of applicants for loans in their respective States, and at the meetings of the board they shall discuss propositions for the betterment of the service rendered by the land credit system hereby established, and by resolutions may make such recommendations as in their judgment will contribute to the success of the business of the national land bank. The president of the bank shall be ex officio chairman of the advisory board, and a member of the advisory board shall be elected as the vice chairman of said board.

POWERS OF THE NATIONAL LAND BANK.

SEC. 7. That the national land bank shall have power—

First. To adopt and use a corporate seal, to be approved by the Secretary of the Treasury, a description of which seal, together with an impression thereof and a certificate of approval thereof by the Secretary of the Treasury, shall be filed in the office of the Secretary of State.

Second. To make contracts.

Third. To sue and be sued, complain and defend in any court of law or equity as fully as natural persons.

Fourth. To exercise, by its board of directors or duly authorized officers or agents, subject to law, all the general and specific powers herein granted and such incidental powers as shall be necessary to carry on the business herein described.

BANKS AUTHORIZED AGENCIES.

SEC. 8. That all national banks are hereby required and all State banks, including trust companies and savings banks, are hereby author-

ized to act as agencies of the national land bank to receive and transmit applications for loans, to furnish information as to the value of lands covered by applications for loans, or as to other matters pertaining to said loans, to receive from the national land bank the proceeds of any loan and pay the same to mortgagors, to sell national farm-loan bonds, and to do such other acts as shall be authorized by the national land bank, under the approval of the Secretary of the Treasury.

For services rendered by any bank in connection with any loan under the foregoing section the national land bank is authorized to pay to such bank any sum not to exceed one-fifth of 1 per cent on the face value thereof and a like amount for negotiating and securing the sale of national farm-loan bonds.

It shall be unlawful for any bank, or officer or employee thereof, to make any charge or to receive or accept any pay whatsoever from the mortgagor for any service rendered in securing a loan from the national land bank.

It shall be unlawful for any director, clerk, officer or employee of the national land bank, either directly or indirectly, to secure loans under the provisions of this act, or to be interested financially therein, or to purchase or own or have any interest whatever in any bond or other security issued under the provisions of this act, or to be in any way directly interested in any of the business transactions of the national land bank.

DEPOSITORIES.

SEC. 9. That prior to accepting any deposits as hereinafter provided the national land bank shall select one or more banks or trust companies, to be approved by the Secretary of the Treasury, a depository or depositories in which the said national land bank shall deposit all its funds of every kind or character, and no part or portion of such funds shall be withdrawn from such depository or depositories except on check or order signed by the secretary-treasurer, countersigned by the president of such bank. Under the approval of the Secretary of the Treasury additional depositories may be designated. Every bank acting as a depository for the funds of the national land bank shall pay to such bank upon such deposits 3 per cent annual interest, based upon the average monthly balances. Every bank acting as such depository shall secure the deposits of the national land bank by delivering to the Secretary of the Treasury, in trust for the use and benefit of the national land bank, national farm-loan bonds in such amount or amounts as shall be required by the Secretary of the Treasury: *Provided*, That for the first year after the organization of the national land bank other securities, approved by the Secretary of the Treasury, may be accepted in lieu of national farm-loan bonds.

NATIONAL FARM-LOAN FUND.

SEC. 10. That to secure a working fund on which the national land bank shall conduct its business, the Secretary of the Treasury is hereby authorized and directed to receive deposits amounting in the aggregate to not less than \$10,000,000, upon which he shall pay 3 per cent annual interest: *Provided*, That in the discretion of the Secretary of the Treasury the maximum limit of said deposits may be increased from time to time to \$20,000,000. Said deposits shall be set apart as a separate fund, and is hereby designated as the "national farm-loan fund."

Certificates of deposits, under form to be approved by the Secretary of the Treasury, shall be given to depositors, and said certificates shall be transferable in such manner as shall be prescribed by the Secretary of the Treasury, and in the discretion of the Secretary may be made payable to bearer. Said deposits shall be payable at the end of 10 years or earlier, at the option of the Secretary of the Treasury, and shall be exempt from all Federal, State, and local taxation. Such certificates of deposits shall be available for all purposes for which national land bank bonds may be used as hereafter provided. Sixty days' notice shall be given of the time when such deposits will be first received and the terms upon which they shall be made.

During the first 60 days after the time fixed for receiving deposits no deposits shall be accepted except from farmers or persons actively engaged in agriculture or horticulture, and deposits shall be accepted in the order of time in which they are received. In granting loans the national land bank shall allow depositors the preference in point of time over all other applicants, provided that no depositor shall be granted a loan unless he meets all the conditions required generally of other applicants. Should any depositor secure a loan from said bank and shall thereafter pay the same in full, he shall be entitled, at his option, to have his deposit paid to him. If at the end of the 60 days after the time advertised upon which deposits would be received \$10,000,000 have not been deposited with the Secretary of the Treasury, he shall accept deposits from the public generally, and if at the end of 60 days after notice is given that deposits will be accepted from the public generally the full amount of \$10,000,000 shall not have been deposited, the Secretary of the Treasury is hereby authorized and directed to deposit in said fund the balance of said \$10,000,000, and the amount necessary for such purpose is hereby appropriated out of any funds in the Treasury not otherwise appropriated, and said deposit shall be upon the same terms as deposits made by individuals.

Thereupon the Secretary of the Treasury shall deposit the said \$10,000,000 in one or more of the depositories of the national land bank to the credit of said national land bank, which shall proceed to loan the same as herein provided.

The national land bank shall reimburse the United States for the amount of money expended in interest payments on the national farm-loan fund, and the Secretary of the Treasury is authorized to fix the date and conditions upon which such payments shall be made, and require a fund to be set aside for such purpose.

SINKING FUND.

SEC. 11. That all amortization payments shall be set apart into a separate fund, to be known as the sinking fund, and shall be used for no purpose except for the payment, redemption, and retirement of the bonds issued by said bank. The sinking fund shall be deposited in one of the depositories of the national land bank, and said depository shall pay 3 per cent annual interest thereon, which interest shall be credited to said fund, and the depository shall deposit with the Secretary of the Treasury, in trust, for the use and benefit of the national land bank, national land bank bonds equal in face value to the amount of the sinking fund to secure the payment of said fund.

The Secretary of the Treasury shall prescribe rules and regulations which shall control the method and manner of selecting bonds issued by the national land bank for the payment or retirement thereof.

RESERVE FUND.

SEC. 12. That for the purpose of creating a fund to guarantee the prompt payment of bonds and interest thereon issued under this act a special fund is created, as follows: One-fifth of 1 per cent of all inter-

est paid on notes and mortgages until the same amounts to \$10,000,000 shall be set apart as a separate fund and shall be known as the reserve fund: *Provided*, That by order of the Secretary of the Treasury said reserve fund shall be increased from time to time, in the above manner, to such amount as may be necessary to provide ample security for the payment of said bonds and interest and to fully meet any and all losses by reason of the nonpayment of mortgages and notes secured thereby.

The reserve fund shall be placed in one or more of the depositories of the national land bank and held as a trust fund to be used in the payment of any bond or interest thereon when due in case at any time the regular payment on notes and mortgages shall be insufficient therefor.

The depository or depositories holding the reserve fund shall pay on such deposit 3 per cent annual interest, based upon the average monthly balances in said fund, and the interest derived therefrom shall be credited to and placed in the reserve fund and shall become a part thereof.

The banks receiving any portion of the reserve fund as deposits shall secure the same by depositing with the Secretary of the Treasury national farm-loan bonds of face value equal to such deposits.

Should any portion of the reserve fund be used to pay the interest or any part of the principal on any note secured by mortgage upon which there has been a default in the payment of any part of the principal or interest, any payment made on such note or mortgage thereafter or collection thereof shall be applied first to reimburse the reserve fund in the amount of money used to make good the default aforesaid, and the balance of such payments or collections shall be placed in the national farm-loan fund.

LOANS AND INTEREST.

SEC. 13. That when the national farm-loan fund shall amount to \$10,000,000 the national farm land bank shall proceed to loan said fund to bona fide farmers of the United States or to citizens of the United States desirous of becoming actual farmers. All such loans shall be made under the restrictions and limitations hereinafter set forth, and upon such other restrictions and limitations and under such rules and regulations as shall be prescribed by the Secretary of the Treasury under the authority herein given. Loans shall be classified as follows: Class A shall include all loans exceeding 10 years and less than 35 years; class B shall include all loans for not less than 3 years and for not more than 10 years; and Class C shall include all loans exceeding 35 years and less than 65 years. Class C loans shall be designed to aid tenants, farm laborers, and persons residing in towns and cities desirous of becoming farm owners, to purchase and pay for farms, and the national land bank, under the direction of the Secretary of the Treasury, is hereby directed to arrange the terms and conditions of such loans, not in conflict with any provision herein, on such plan as will increase the number of farmers in the United States, develop more intensive methods of farming, reduce the number of tenants, check the movement of our population from the farms to our cities, increase the number of farm-home owners, and maintain and increase in the production of food products corresponding to the increase of population. Loans in class C may be equal to two thirds of the value of the land mortgaged, but loans in class C shall be made only upon lands of a highly productive character.

The national land bank shall give due notice of the time and terms upon which loans will be made. In making loans the same shall be equitably apportioned among the States, and the funds fairly distributed as between the two classes of loans. Loans in class A shall be made at not to exceed 3½ per cent per annum interest and an annual amortization fee paid on the principal sufficient to pay the same at the expiration of the loan. Loans in class B shall be made at not to exceed 4 per cent annual interest, without any amortization fee, but the borrower shall have the privilege of paying any portion of the principal at the time of any interest payment.

NATIONAL FARM-LAND BONDS.

SEC. 14. That whenever the national land bank shall have made loans in any class to the amount of \$500,000 or more it shall deposit the mortgages and notes secured thereby with the Secretary of the Treasury, who shall issue a certificate to the national farm-land bank, certifying to the fact that such notes and mortgages have been delivered to him as security for the bonds to be issued thereon, and authorizing the national land bank to issue to the amount of the face value of said mortgages and notes secured thereby bonds in series corresponding to the classes of loans, and said bonds shall be issued in the name of the national land bank and shall be known as "national farm-loan bonds." Class A and class C bonds shall bear 3 per cent interest payable annually, and class B bonds shall bear 3½ per cent interest, payable annually. The national land bank, under the approval of the Secretary of the Treasury, shall prescribe the form of such bonds, and the same shall be printed by the Bureau of Engraving and Printing, under the direction of the Secretary of the Treasury. Said bonds shall be issued in denominations of from \$25 to \$1,000 each, and the said national land bank shall sell said bonds for the face value thereof to any persons applying therefor, preference being given to those desiring small investments. He may sell the same direct to the purchaser or utilize banks or other agencies therefor, but in no case shall he allow more than one-fifth of 1 per cent upon the par value thereof as commission for selling said bonds. The proceeds from the sale of said bonds and the principal and interest paid on notes and mortgages shall be covered into the national farm-loan fund and used in making additional loans and in the payment of interest on bonds, or in the payment of such bonds at maturity, or for such other purposes as may be provided for herein.

BONDS.

SEC. 15. That all national farm-loan bonds issued under this act shall be payable at a date specified, and shall be subject to call at par at any interest period after the date of issue or after a specified time by such proper notice and advertisement as may be provided by the Secretary of the Treasury.

All national farm-loan bonds issued under this act shall be protected by deposits with the Secretary of the Treasury, as security therefor, of at least an equal amount on the face value of first mortgage or first deed of trust farm loans and notes secured thereby.

That as the amortization payments are credited upon the first mortgage or first deed of trust farm loans deposited as security, the national farm-loan bonds issued by the national land bank and secured thereby shall be called and paid, or purchased in the open market and retired to the extent of the credits made upon such first mortgage or first deed of trust farm loans held as security for the same.

When any mortgage and notes secured thereby upon which bonds have been issued shall be paid before due, the national land bank shall, under the supervision of the Secretary of the Treasury, withdraw the same and deliver the same to the mortgagor and release said mortgage.

on the record: *Provided*, That before withdrawing said notes and mortgages he shall deliver to the Secretary in lieu thereof notes and mortgages of at least equal face value falling due not earlier than the notes and mortgages so withdrawn.

PRIVILEGES GRANTED TO NATIONAL FARM-LOAN BONDS.

SEC. 16. That national farm-loan bonds issued under this act shall be available for the following purposes:

First. As security for the deposit of postal-savings funds in all banks authorized to receive such deposits.

Second. As a legal investment for time deposits of national banking associations, as provided in the Federal reserve act, and for the funds accumulated in saving banks organized and doing business in the District of Columbia.

Third. As a legal investment for trust funds and estates under the charge of or administered by any of the courts of the United States.

Fourth. As security for loans from national banking associations to individuals or corporations for not exceeding five years, to an amount aggregating not over 25 per cent of the capital and surplus, or to one-third of the time deposits of the national banking associations making such loan. Such loans to be made and held by the national banking association making the same as being within the provisions of section 24 of the Federal reserve act, so as to permit national banking associations to lend to individuals or corporations on their obligations secured by their national farm-loan mortgage bonds in place of making the loan directly on farm lands, as provided for in said section.

Fifth. As collateral security for short-time loans made by any national banking association to individuals or corporations to the same extent as bonds issued by public utility, transportation, industrial, or commercial corporations.

Sixth. As a legal investment for the funds of savings banks operating in any State, and of trust funds and estates held by or under the control of the courts of that State, as a legal investment for the reserves of insurance companies incorporated under or operating under the laws of that State, and as collateral security for short-time loans by any State bank when not in conflict with the laws of such State: *Provided*, That the national land bank shall make loans only in such States wherein in the judgment of the Secretary of the Treasury the laws of such State relative to the recording of titles and the enforcement of mortgage liens are such as to afford all reasonable and proper protection to mortgagors.

NOTES AND BONDS EXEMPT FROM TAXATION.

SEC. 17. That all the funds, deposits, moneys, notes, mortgages, and bonds belonging to the national land bank, issued under this act, and the income therefrom, shall be exempt from all Federal, State, and local taxation, and such notes, mortgages, and bonds are hereby declared to be instrumentalities of the Government of the United States, authorized and issued to provide for the general welfare of the country.

LOANS.

SEC. 18. That every loan made under the provisions of this act shall be secured by a first mortgage or first deed of trust on farm land.

Loans may be made to complete the purchase of agricultural lands mortgaged, to improve and equip such lands for agricultural purposes, and to pay either personal or mortgage indebtedness of applicants.

No loan, except in class C, shall be made in excess of 50 per cent of the value of the land mortgaged to secure the same, if said land be improved and not in excess of 40 per cent of the value of the land in other cases; the value of said land to be determined by appraisal under the provisions of this act.

In every loan made the notes and mortgage secured thereby shall contain a provision for the amortization of such loan, or a provision that the principal sum due shall be reduced by annual or semiannual payments.

Any loan may be paid off in whole or in part by the borrower at any interest period, and the same may be paid in cash or by the delivery of national farm-loan bonds to the amount due on said loan.

EXAMINATION.

SEC. 19. That the Secretary of the Treasury shall annually, and at such other times as he may deem it necessary, have an examination made of the national land bank. Such examination shall be made by a national bank examiner, and the purpose of such examination shall be to ascertain the conditions of the business of said bank, the value of its notes and mortgages held as security for bonds issued thereon, the safety of its business methods, and to obtain such other information as in the judgment of the Secretary may be necessary to insure a wise and safe administration of said bank, protect the interests of both mortgagors and bondholders, give confidence in securities issued by the bank, and promote the success of the system of farm credits established by this act. The Secretary in his annual report to Congress shall make such recommendations for additional legislation pertaining to said bureau as he may think wise.

RULES AND REGULATIONS.

SEC. 20. That the Secretary of the Treasury is hereby authorized and directed to make rules and regulations and adopt plans for the carrying out of all the provisions of this act, and the same when not in conflict with the provisions of this act shall have the force and effect of law; and the Secretary of the Treasury shall make such rules and regulations as will safeguard the business transactions of the national land bank, protect the interests of bondholders, guard against financial losses, and promote efficiency and economy in the business conducted by said bank.

ANNUAL REPORTS OF COMMISSIONER.

SEC. 21. That the national land bank shall make an annual report to Congress, covering fully the business of the preceding fiscal year, showing the amount of loans made, their distribution in the various States, the amount of bonds issued, the conditions of the national farm-loan fund, the sinking fund, and the reserve fund, and such other information as may be prescribed by the Secretary of the Treasury, called for by Congress, or which may be deemed proper by the bank.

DISPOSAL OF REAL ESTATE.

SEC. 22. That when any mortgagor shall make default in the payment of the principal, interest, amortization fee, or any other obligation due on his notes and mortgages, the national land bank is authorized and directed to enforce collection thereof, by suit or otherwise, and is authorized to make and hold title to any land taken through foreclosure proceedings or otherwise, and shall dispose of said land at public or private sale within reasonable time, and shall in no case hold title to any tract of land to exceed five years, and in the enforcement of collection of notes and mortgages is authorized to accept less than the face value thereof in full payment when in the judgment of directors of such bank such would be best.

INSURANCE OF BUILDINGS.

SEC. 23. That all mortgagors shall be required to keep the buildings upon the land mortgaged insured in some reliable company, the loss, if any, to be paid thereon to insure to the benefit of the mortgagee.

INSPECTORS AND APPRAISEMENT.

SEC. 24. That every applicant for loan shall state under oath the fair cash value of the land proposed to be mortgaged, and shall file therewith a certificate from the proper officer showing the assessed valuation of said land at the assessment last prior thereto. He shall also file a statement by two of his neighbors, duly verified under oath, giving their judgment of the value of said land. The bank transmitting said application shall state whether or not the appraisement made by the applicant and his neighbors represents the fair cash value of said land.

The national land bank shall appoint from time to time such inspectors as are necessary to make inspection and appraisement of all lands before loans shall be closed thereon. Said inspectors shall be paid such salaries as shall be prescribed by the Secretary of the Treasury, not exceeding \$1,500 per annum, and a reasonable allowance for traveling expenses.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MORGAN].

Mr. LEVER. Mr. Chairman, before the gentleman from Oklahoma proceeds, I ask unanimous consent that debate on this amendment and all amendments thereto close in seven minutes.

Mr. MORGAN of Oklahoma. Oh, I want more time than that. I think we ought to have at least 25 minutes.

Mr. LEVER. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 30 minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that debate on this amendment and all amendments thereto close in 30 minutes. Is there objection?

Mr. LEVER. And that the gentleman from Oklahoma control 10 minutes of that time.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none, and it is so ordered.

Mr. MORGAN of Oklahoma. Mr. Chairman, I would like to have the attention of the Members of the House for a few minutes in order that I may explain this amendment to them. The amendment I offer is H. R. 21474, introduced in the House February 16, 1915. It creates a single bank, located at Washington, D. C., called the national land bank. It is a bank without capital stock, a bank that pays no dividends, a bank that distributes no profits. You say that is strange, and yet the best system of land credit in the world is the landschaft of Germany, which has absolutely no capital stock and distributes no profit, a system that furnishes the best credit and the cheapest interest of any system in the world. Why is it necessary that the United States, in establishing a system, should establish a large number of banks to draw interest, to create dividends, to distribute profits, to be controlled by private interests, and run for profit? The Landschaft, the best system of land credit in the world, is not run for private gain, but it is run for the public good, and if we create a system of land credits that is worthy of this great Nation we will create a system that is not run for profit. My amendment creates a system of land credit directed, managed, and controlled not for the gain of private capital, not for the profit of shareholders, but for the public good. I use the same provision for machinery that is used in the McCumber bill. That is, I utilize State and National banks as agencies to take the loans, and use them as agencies to sell the bonds, so that the central bank created by my bill already has 27,000 agents to take the applications for the loans and transmit them and close up the loan and sell the bonds. These bonds are issued not in the name of the Government but in the name of the national bank. How do I get an operating fund? Instead of appropriating money out of the Treasury I provide that the Secretary of the Treasury shall for 60 days accept deposits from the public generally up to an amount of \$10,000,000 and issue certificates of this deposit, which will be transferable. Three per cent interest will be paid on these deposits.

If at the end of 120 days the \$10,000,000 is not deposited, then I authorize the Secretary of the Treasury to make this balance of the deposit. This \$10,000,000 is then transferred to the national land bank, and it proceeds to business. Now, that is the only Government aid in it, and that is no more than was provided in our national reserve system, our new banking system, namely, that in case national banks do not subscribe to the capital stock the Government should subscribe it. So we have \$10,000,000 as an operating fund. The bank loans the \$10,000,000 and issues bonds, turning it over and over, without limit. Now, then, under the Hollis system the amount of loans that the bank can issue is limited to 20 times its capital stock. The landschaft issues its bonds over and over again, and has no capital stock; so I take the \$10,000,000 and turn it over and over again, issuing bonds, selling the bonds, and making addi-

tional loans. The idea that the security of the farmer depends upon the capital stock of the bank is not sound. It is the farmer that furnishes the security, and the little bank stock is comparatively insignificant. So I provide for an unlimited issue of bonds, based upon mortgages equal to only half the value of the land. Under the provisions of my bill any amount of loans may be made.

Now, I provide a reserve fund. A certain percentage of the interest is set apart every year to accumulate as a reserve fund up to many million dollars, so that that reserve fund would stand amply good to meet any losses that occurred from defective loans. I create a reserve fund that is as good as Government credit. A proper reserve fund makes these bonds as good as Government security. While I will vote for any Government aid that may be necessary, however, if we have a proper system, if we throw around it the proper safeguards, we can have a system of land credit that will provide ample credit, with interest just as low as we would get through any Government guaranty. That is what I believe. Now, there are other considerations. Mr. Herrick, in his book on land credits, says the key to every land-credit system of any importance is the land bond or debenture.

Mr. MOORE. Mr. Chairman, will the gentleman yield?

Mr. MORGAN of Oklahoma. I yield.

Mr. MOORE. I know the gentleman from Oklahoma has given this matter very considerable thought. I do not desire to embarrass him, but I would like to know whether in any of these bills there is any provision by which a man who wanted to start a business, not a farming business, but, say, the oil-well business or wanted to start a mercantile establishment, could go and get any help at all from the Government?

Mr. MORGAN of Oklahoma. Of course the gentleman knows that this is a system entirely to provide a land credit. Now, then, I am in favor of a system of personal credits that would help the farmer or help the poor people in any way that is possible, but the personal-credit system we have not begun on. That has to be worked out. I know the gentleman is not serious, however [applause], in his proposition. Now, I propose a system of land credit, say, that contains every necessary element without Government guaranty, and without the issue of Government bonds. Now, one of my objections to the Hollis bill is that it is not economical. It can not be economically administered. There are too many banks to be supported. More than this, securities issued by one bank will sell better on the market than the securities issued by a dozen banks. Now, think about that.

The United States has better credit than the small republics of the south. The Steel Corporation has better credit than its insignificant competitors. The great department stores can borrow money cheaper than the small groceries around the corner, and so one central bank, issuing bonds of a standard character, with supervision over loans by authority of the United States, will soon acquire a standing, reputation, and prestige among investors that you never will have with these 10, 20, 40, or 50, or 100 banks issuing these debentures and bonds. If you pass this bill you have many banks issuing bonds; one bond may be red and another white and still another blue. These debentures go out to the investing public. Investors will not know who to trust. They will not know which bond is best; but if these bonds are issued from one great bank, a central institution, they will have a prestige that the bonds issued by these other various banks will not have.

Gentlemen, France started out to establish many banks, but after a trial she changed her system, and that one great land bank of France, the *Crédit Foncier*, with \$45,000,000 capital, is the only bank in France that is making loans upon farm mortgages of any consequence. You will discredit the farmer's security by sending it out by numerous obscure banks. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONNOLLY of Iowa. Mr. Chairman, the parliamentary situation upon the matter of rural-credits legislation is a rather peculiar one at this juncture on account of the eleventh-hour amendment that Senator McCUMBER succeeded in placing on the Agricultural bill. Personally, I have always believed and advocated sane rural-credits legislation, and on account of the great importance of the subject I would prefer to see this matter come into the House direct from the Banking and Currency Committee and to be treated and considered by the House with plenty of time for debate and deliberation, so that the best possible measure could be evolved in the interests of the public. Now, I wish to make some observations in answer to some of the criticisms of those who are not familiar with farm-mortgage securities by stating that the general experience in Iowa, and in many other States where this class of security

is standard, has been highly satisfactory to the investor. And there are many banking institutions and loan agencies that have never lost a dollar in principal or interest in loans upon Iowa land. I think that this class of investments, properly safeguarded, offers more substantial safety than some of the securities that meet with particular favor in eastern banking centers, and the record of safety of farm mortgages when properly safeguarded will compare very favorably with any class of investments.

It is possible that in the State of Iowa there are a great many farmers who are no longer in the borrowing class, but, on the other hand, there are the young men on the farms who have the ambition to acquire their own farms and homes and who have the energy and character, if they are provided with an opportunity, to successfully carry through such a proposition. And there are many farmers who are now tenants, who have accumulated a sufficient sum to make a substantial payment on a farm, who would be greatly encouraged under facilities that could be offered in a proper rural-credits bill that would insure them a low rate of interest and, under the amortization plan, a long number of years in which to pay off the obligation.

Legislation of this character will stimulate the farming industry and give an impetus to a more intensive system of farming. Again, while a great many farmers have benefited from substantial appreciation in the value of their acreage, yet many of these have been seriously set back through the visitation of hog cholera and the foot-and-mouth disease. Many of them have lost their entire herds, and, in some cases, the ravages of these diseases present an economic tragedy. Therefore, a rural-credits legislation of the proper character will prove a boon to many of these so situated.

During my term of Congress I have been very much interested in problems and legislation that affect the farmer. And, although I am personally interested in farming, I do not look at this question from a selfish viewpoint, but rather from the broad plane that the betterment of agricultural conditions builds up the Nation as a whole. Moreover, provision for and the feeding of our American people are fast becoming serious problems, and an encouragement of the farming interests will tend to a wider production that will eventually be felt by the laboring class of the cities as well as the country in bringing about conditions that will tend to relieve the question of the high cost of living.

Generally speaking, legislation should be regarded by every Representative in the broad sense, and a Member of the Congress should address himself to legislative problems not in a narrow, partisan, or sectional sense, but bearing in mind those principles that sustain and make for the greatest good to the greatest number. In this present session of Congress we have been confronted with impressive and perplexing problems and situations. We have felt the reflection of influences and conditions that are world-wide. It is a time that calls for the broadest and highest standards of patriotism, and I am frank to say that if I were serving as a Democrat under a Republican administration, my sense of partisanship would disappear in my desire to accord to the administration of my country in such a crisis a support and loyalty that would represent the highest ideals of patriotism to which I could aspire, for, after all, what signifies the prestige of a party as compared to the perpetuity of the Republic?

With so many of the powerful nations of the earth engaged in a death grapple and situations of the most delicate nature arising that might possibly involve us in difficulties, we should all repair to the old-fashioned and splendid principles of our fathers and rally to the support of our Chief Executive, the President of the United States, in these moments of trial. But few of the Presidents have had such serious conditions to analyze and to handle as has Woodrow Wilson. And, added to the weight and burdens of the high office, there came that shadow into the White House, and which fell upon the entire Nation, when the wife of the President passed sweetly and courageously into the setting sun of life. The heart of the country has gone out to him in this sad visitation. And now, with the European war and the Mexican problem, there is a call for fealty from every element of the citizenship of this country.

It is not a time for narrowness or small and petty influences. The big, broad Americans who can "see and think continentally" must give their best efforts and labors to bear down on disintegrating forces, of whatever character, that this Nation may come safely through her crisis and attain to the ideals and purposes for which the Republic was founded. As a native of Iowa, and trained by parents who loved this land of ours with a broad devotion, and as one who received his first impressions

and conception of patriotism at the knees of a mother who herself was born, you might say, within the shadow of Bunker Hill, I feel an intense and abiding affection for my country, and I yield to none in reverence for her free institutions. And I trust the day is not far distant when, under the leadership and unselfish influences of great and loyal Americans, there shall develop a splendid unity and harmony in the varied and cosmopolitan element of our citizenship, so that if the exigency should arise or a crisis develop that this country would present a solid front and exhibit to the world a standard of Americanism of which we could all feel proud. What a blessing it is that in these days of international conflict we find our own Nation at peace. And mingled with this sense of gratitude of our own condition I can not help but feel a peculiar sense of depression and sadness at the situation that now exists in Europe, because not many years ago I happened to be a student at the University of Oxford and later lived as a student in the old German university at Heidelberg. I had already been graduated from two of our foremost American universities, but, having in mind to pursue a special line of work, decided on postgraduate work in England and Germany. And so I have a great many very dear and intimate student friends fighting under the colors of the allies and equally dear and close associates who are offering their young lives under the flag of the Kaiser.

Many of these friends have already given the last full measure of devotion to their country. Others have been wounded, and others overcome by the sickness of camp and battle field. And knowing the intense patriotism that these universities have developed, I feel that these men are respectively presenting their services in ungrudging measure. And even as many of them lie now upon the field of battle, when the eyes grow dim and the heart beats wane, a sight of their colors induces the thrill of patriotism. But sometimes I feel that if beside the flag of their own country they could see in the bright sunlight the Stars and Stripes they would appreciate that after all they represent the one great Nation of the world that is at peace with the rest of the world, and that the stars of this flag are sending out the same old message that came from the star of Bethlehem, a "Peace on earth and a good will toward men"; and that that flag to-day represents the custodian of the different belligerent nations in their diplomatic and consular affairs. Let us pray that the influence of this flag may in the near future bring the spirit and glory of peace to these nations now at war. Let us pray also that this flag will continue to grow in power, because, after all, the power and influence and character of the flag is only what we ourselves make it. And it will stand for greatness and prestige and liberality and tolerance only as we, the units of citizenship, in our own characters represent these attributes.

During my membership in this House some of the leaders of my party in Iowa presented to me, as a matter of party service, that I should make the race for the United States Senate. It was against my own judgment and inclination. Good fortune attended my contest for the nomination, and in a State-wide primary my party selected me as its standard bearer, although opposed by one of the most distinguished citizens of Iowa.

In the November elections, while I was the recipient of a splendid and impressive vote, the State of Iowa, as has been her custom, returned a Republican, the present senior Senator, and one of the possible nominees of his party for the Presidency of the United States.

I bear no ill will toward him or any other political opponent. May God guide all toward a lofty standard of service to the country. It has been a privilege to serve in the Congress, and I leave it with a higher appreciation of the duties of American citizenship and the character of American representation, and a solemn renewal of the sacred vows of my American allegiance.

May the spirit of "charity toward all and malice toward none" pervade our lives and sentiments. Let us address ourselves to our neighbors and to the various elements of our citizenship in the spirit of high-minded and broad Christianity, that we may the better understand and labor for each other, so that our patriotism will spell a unity and harmony that will sustain the Government in any crisis and the attainment of its highest ideals; for the flag belongs to all of us—not to any particular section nor to any particular class.

I trust that the East may learn to know and to love the West in increasing sincerity, and the North and the South continue to cement the bonds of our national brotherhood; that "all may be for one and one may be for all." Then will the power and glory and prestige of our flag be wafted to the remotest corners of the globe as the emblem of the most beneficent and successful form of government that has ever been conceived by the mind of man.

The CHAIRMAN. The gentleman from Colorado [Mr. KEATING] is recognized.

Mr. KEATING. Mr. Chairman, I am in favor of the McCumber amendment. [Applause.] It must be perfectly clear to every Member of this House that if we hope for rural-credit legislation we must adopt either the Hollis amendment or the McCumber amendment. Now, the Hollis amendment means nothing to me and means nothing to my people. The latter understand rural-credit legislation to involve Government aid, and that is the kind of legislation we have talked from every stump in the South and the West. I am not disposed to vote for the so-called Bulkley amendment to the Hollis amendment. If we put the Bulkley amendment on the Hollis amendment it will never get through the United States Senate. You might just as well make up your minds now as later that you must take either the Hollis amendment or the McCumber amendment; and, faced by that kind of a situation, I am for the McCumber amendment.

Now, Mr. Chairman, I want to submit a proposition to this House. We have had a sort of baby show here to-night, and Members who introduced rural-credit bills have been exhibiting their offspring to the Members of this House without any hope whatever that those bills will be seriously considered or adopted. Now, I introduced a rural-credits bill. It was a perfectly good system, and I should like to have it read from the Clerk's desk to-night, but I have some sympathy for my friend, Maj. Williams, the Reading Clerk. I want him to remain with us yet a while; and, if we compel him to read all these bills, he will be in the hospital to-morrow. So I suggest that each of these fond "papas" be permitted to address the House for five minutes in explanation of his particular "pet." And then, if he wishes, he may print the "pet" in the RECORD. That will satisfy me and should satisfy my colleagues. I ask unanimous consent that that may be done.

Mr. HOWARD. Mr. Chairman, will the gentleman yield to me for a question before he takes his seat?

The CHAIRMAN. Does the gentleman from Colorado yield to the gentleman from Georgia?

Mr. KEATING. Yes.

Mr. HOWARD. Would the gentleman make that statement in view of the fact that the McCumber amendment was the result of a conspiracy between certain Democrats and Mr. McCumber to get that amendment attached as a rider upon the Agriculture appropriation bill?

Mr. KEATING. Well, if the gentleman knows of a conspiracy between certain Democrats and—

Mr. HOWARD. Does not the gentleman know that when a point of order was attempted to be made by a Democratic Senator, Senator McCumber told him that if he would withdraw his motion—

Mr. KEATING. Mr. Chairman, I ask to be protected from the gentleman from Georgia. [Laughter.] The version I heard of that incident was that the gentlemen at the other end of the Capitol were asleep, and I am inclined to believe that was true, because that seems to be their normal condition. [Laughter.] But I do not care whether there was a conspiracy or not. I know, as a reasonable man, that I must make my choice to-night. I must take either the McCumber amendment or the Hollis amendment, and I shall take the McCumber amendment.

I refuse to play fast and loose with my platform obligations. I believe the people of this country want a rural-credits system which will force a radical reduction in their interest rates.

More than a year ago I introduced such a bill. It provided that we should take the limit off the amount which an individual might deposit in the Government's postal savings banks, and that the money thus turned over to the Government should be loaned to the farmers of this country at 4 per cent.

In operation, the system I suggested would be marvelously simple and marvelously effective as well.

The man who wanted to safeguard his savings would place them in a Government savings bank and would receive a moderate rate of interest, say 2 per cent. These deposits would amount to tens of millions of dollars, and the Government would be authorized to invest the money thus secured in first-class farm loans at 4 per cent. The difference between the 2 per cent paid the depositors by the Government and the 4 per cent received from the farmers would constitute a fund which would pay all the expenses of the system and leave a substantial balance for a surplus fund to guarantee against the possibility of loss.

The parliamentary situation to-night renders it difficult for me to offer my bill as an amendment. Under the circumstances, I intend to vote for the proposition which offers the farmers of this country the greatest measure of relief. I will vote for

the McCumber amendment as it passed the Senate, and I will vote to strike the Hollis amendment from this bill.

It is not a rural-credits system, as the people of this country understand the term. In my judgment, it would be a great thing for the bankers of this country but a poor thing for the farmers of this country. I think we have legislated sufficiently for the bankers, and it is about time we did something for the farmers.

In this connection I wish to submit a telegram which I have just received:

DENVER, COLO., March 1, 1915.

Hon. EDWARD KEATING, M. C.,
Washington, D. C.:

We want you to support Senate rural-credits amendment. This is what we want. Oppose bankers' substitute.

COLORADO FARMERS' STATE UNION,
W. R. CALLICOTTE, Chairman.
LOUIS ROETTER, Secretary.

Now, Mr. Chairman, I desire to submit a unanimous-consent request, that Members who have introduced rural credits bills be permitted to address the House for five minutes and extend their remarks in connection with their bills.

Mr. MANN. That would mean everybody in the House.

Mr. LEVER. Regular order, Mr. Chairman.

The CHAIRMAN. The regular order is demanded.

Mr. McLAUGHLIN. Mr. Chairman, I wish to say to those who have any idea of voting for a bill involving the principle of an organization, of a bank which is assisted by the Government, which may make loans directly to the farmers, that they should support the bill presented by way of amendment by the gentleman from Oklahoma [Mr. MORGAN]. I had the pleasure of reading that bill, as incorporated in his remarks, last Friday, and I have read it carefully since. It is a well-considered, carefully prepared bill, and not such a makeshift as was presented by the Senator from North Dakota and incorporated in the Agriculture appropriation bill.

Now, it has been asked here, if this law is passed, and banks such as this act provides for are organized, whether one wishing to borrow money for the development of an oil well can borrow money from such a bank. No; but I will say that for the last 50 years there have been banks in this country, fostered by the Federal Government, into which the Federal Government has poured its money without stint, by which oil wells have been developed [applause], and by which every other kind of business in the country has been assisted and fostered except the farming industry of the country. [Applause.]

Mr. MOORE. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Michigan yield to the gentleman from Pennsylvania?

Mr. McLAUGHLIN. No; I can not. In five minutes I can not yield. The gentleman from Pennsylvania will pardon me.

And now, when it is suggested that the Government provide for the organization of another kind of bank, a regular business organization, to take charge of the business of making loans to the agricultural interests of this country, these gentlemen stand here and raise their voices in holy horror against Federal aid, against putting any money into those banks from the Federal Treasury, or against the Government lending its credit in order to assist in the establishment and operation of those banks. But the Federal Government takes the money from the Postal Savings Banks and loans it to the national banks, and charges only 2½ per cent interest, when that money is to be used for every purpose—oil-well business and every other line of industry, except farming. It puts \$75,000,000 in cold money into the national banks of this country, charging them only 2 per cent interest, leaving it there permanently—because the President told us from that desk yonder that that money could not be withdrawn—for use in every line of business except for the development of agriculture.

Until a year ago, until the passage of the Federal reserve act, it was impossible for the national banks or any financial institutions recognized by national law and receiving aid from the National Government, to loan money upon real estate. Here is a proposition to organize regular Government institutions, Government-inspected, Government-controlled banks, in which a limited amount, in the first instance not to exceed \$10,000,000, of Federal money shall be placed, and thereafter those who interest themselves in and obtain the advantage of them shall furnish the sinews of war and carry on the work of those organizations.

Some of you would prefer to support the amendment that has been offered by the Committee on Agriculture, for which I, as one of the committee, do not vouch just as it is presented, and organize a dividend-paying organization for personal advantage and personal profit, for speculation by private interests, starting out with paying the commissioner \$12,000 a year, 66 per

cent above the amount Members of this House receive for their services.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. FOWLER was recognized.

Mr. MOORE. Mr. Chairman, has all the time been allotted by agreement for the discussion of this amendment?

The CHAIRMAN (Mr. Flood). Yes. There will be five minutes more.

Mr. MOORE. Will there be any opportunity for any one opposed to the amendment to speak?

The CHAIRMAN. There will be five minutes more debate on the amendment.

Mr. MOORE. But no one has been heard in opposition to the amendment. I call the attention of the Chair to that fact.

The CHAIRMAN. The Chair did not know how gentlemen stood with reference to the amendment.

Mr. MOORE. But the time has been allotted by agreement, so that the Chair has no discretion in the matter?

The CHAIRMAN. None at all.

Mr. MOORE. So there will be no opportunity for debating the amendment.

The CHAIRMAN. The gentleman from Illinois [Mr. FOWLER] is recognized.

Mr. FOWLER. Mr. Chairman, for four years agitation has been going on in this Congress for the enactment of a system of rural credits, and we have had various bills proposed in the House, but none have been reported favorably. Now, on the eve of adjournment, when we have a bill which comes from the Senate, as an amendment to the Agricultural appropriation bill, apparently giving relief to the farmers, we find the House divided on the question as to whether we shall have Government aid or a system of land money-lending organizations throughout the country. Mr. Chairman, a rural-credit system without the aid of the Government and Government control of the stock is nothing but Greek to the farmers of this country. We already have loaning organizations throughout the country, and the farmers have been imposed upon by all of them to a greater or less extent. What the farmer needs is a system with a low rate interest. Any system which does not begin with the farmer, stay with the farmer, and end with the farmer is not worth the paper it is written on. Any "pussy footing" around in this House for the purpose of devouring national aid to a rural-credit plan will not be tolerated by the farmers and their friends.

Mr. GORDON. Will the gentleman yield?

Mr. FOWLER. Yes; in a minute. We passed a Federal reserve act for the purpose of giving aid to the banks of this country in time of distress, so that panics may be avoided. In that we provided a section for long-time loans to the farmers of this country. But the banker, like every other business man, will invest his money where he can get the greatest returns from it, and so the farmers are not getting and will not get very much benefit from that section of the Federal reserve act. Mr. Chairman, it is no time for us to quibble here on the question as to whether the Senate or the House initiated this legislation, or whether the Republicans or the Democrats initiated it. The only question that should be considered is the question of immediate and permanent relief. The home builders and the home-seekers have been wading through the bogs of high rates of interest long enough, and the time has come now when they should have permanent relief.

Mr. MURDOCK. Will the gentleman yield?

Mr. FOWLER. Yes; I yield to the gentleman from Kansas.

Mr. MURDOCK. I take it that the gentleman's position is simply this on rural credits, that at this time it is the McCumber bill or nothing.

Mr. FOWLER. Mr. Chairman, before I leave Congress I want to vote for a measure which will become a law, and, in my opinion, the only measure which has a shadow of a chance of becoming law is the McCumber amendment. [Applause.] I promised to yield to the gentleman from Ohio [Mr. Gordon].

Mr. GORDON. Where is your authority for the statement that the farmers are the only ones who want to borrow money at a low rate of interest?

Mr. FOWLER. I did not so state, but the farmers, home-seekers, and home builders are entitled to relief. They demand it and will not accept no for an answer.

The CHAIRMAN. The gentleman's time has expired.

The question is on the amendment offered by the gentleman from Oklahoma.

The question was taken, and upon a division (demanded by Mr. MORGAN of Oklahoma) there were 27 ayes and 93 noes.

So the amendment was rejected.

Mr. WINGO. Mr. Chairman, I offer the following amendment, which the Clerk will read.

The Clerk read as follows:

Strike out all after the word "that," and insert the following:

"The President of the United States is authorized, empowered, and directed to establish and put in operation a system of farm land credits for the purpose of promoting farm home ownership and increasing the productivity of agriculture, by enabling citizens, both male and female, engaged in tilling the soil and raising farm products, or who may wish to procure farm homes for the purpose of engaging in such occupation, to procure capital funds on long terms at a low rate of interest, to be repaid on the amortization plan.

"For such purposes the President is authorized and directed to establish in the Department of Agriculture a separate division, to be known as the Farm Land Credit Bureau, hereinafter called the bureau, to be controlled and operated by a Farm Land Credit Board, hereinafter called the board, to be appointed by the President, a majority of whom shall be practical farm citizens, and who for more than five years immediately preceding their appointment shall have been actually engaged in farming. The salaries and terms of the members of said board and all agents and employees thereof shall be fixed by the President on a basis of terms and salaries of similar officials and employees in other departments of the Government.

"The Farm Land Credit Board shall be authorized and empowered:

"(a) To establish, prescribe, and fix, subject to the limitations of this act, such rules, regulations, requirements, limitations, and forms and use such agencies and exercise such further powers as may be necessary to carry out the purposes of this act: *Provided*, No speculative or profit-making agency shall be used, nor shall a system of banks and their attendant expense be established, nor shall any rule or regulation be made requiring any farmer to subscribe to any stock in any corporation or association, or incur any collective liability in order to procure a loan.

"(b) To fix such limitations and make such requirements as will prevent the use of the system for land speculation and limit its benefits to the national economic need of fostering farm home owning and development by actual bona fide farmers.

"(c) To make amortization loans to citizens of the class hereinbefore described, to run in series of from 5 to 35 years, at the option of the borrower, such loans to be secured by first mortgages on farm lands owned by the applicants and used by them in raising farm products, or lands to be bought for such purpose, and partly paid for by such loans. The borrower shall have the privilege of paying the entire principal at any annual interest-paying date after five years, or make payments thereon of \$50 or any multiple thereof. Such loans shall bear a rate of interest not to exceed 5 per cent. The date on which the borrower receives the money from his loan shall be the date from which the interest runs. The board shall determine the amount of each loan, but any person who is entitled to a loan shall, if such person desires, receive as a loan as much as 50 per cent of the actual value of the land and 25 per cent of the value of the improvements thereon and as much additional as the board may deem safe and prudent. In addition to the annual interest payment and annual amortization payment there shall be collected annually on each loan a sum not to exceed one-fifth of 1 per cent, which shall constitute an indemnity fund to meet any loss that may be occasioned by default in payment of any loan, or for the purpose of carrying the annual payments of any borrower who by reason of drought, flood, famine, or other unavoidable disaster may be in temporary default.

"(d) To issue and sell bonds, using the proceeds thereof in making the loans provided for by this act, buying said bonds at par when deemed best, and retiring said bonds at maturity. Such bonds shall be of the tenor and form and for a term prescribed by the board and approved by the Secretary of the Treasury, whose duty it shall be to cause plates and dies to be engraved in the best manner to guard against fraud and counterfeiting. The plates and dies and bonds prepared but not sold shall be under the control and direction of the Secretary of the Treasury, who shall not permit an issue of such bonds at any time in any amount in excess of the amount of notes and first mortgages deposited with him in trust by the board to secure the bonds outstanding; nor shall he permit the issuance of any bonds against any of such mortgages unless the amortization payments to be made on the notes secured by such mortgages are sufficient to retire said loans at maturity. Such bonds shall state on their face that they are based upon farm mortgages and that the principal and interest thereof are guaranteed by the United States. Such bonds shall be sold at not less than par at the lowest possible rate, not to exceed 4 per cent, due notice of the proposed sale being given. Such bonds shall be in denominations of not less than \$100 nor more than \$1,000, a sufficient number of small denominations to be sold to meet the demands of the small investors, preference being given to that class of bidders in the sales thereof. Such bonds shall be registered and issued by series. Such bonds shall be exempt from all taxes and dues—Federal, State, and local—and shall constitute a legal investment for all fiduciary or trust funds, for postal savings funds, and for all national banks, including the Federal reserve banks.

"(e) To employ such examiners, assistants, clerks, or other employees or agencies as may be deemed necessary to conduct the business of the bureau and to carry out the purposes of this act: *Provided*, however, That in the selection of appraisers local persons, including farmers, well acquainted with the particular tract of land upon which a loan is sought shall be designated: *Provided further*, That the board may employ general appraisers and inspectors, familiar with lands in the territory in which they work, for the purpose of gathering general information as to the land values and conditions, and for the further purpose of inspecting each loan annually, or oftener if necessary, to ascertain fraud, changed conditions, waste, overvaluation, or other facts necessary, upon which the board may take such action as will protect the system against loss or fraud. All funds received by the board shall be trust funds to carry out the purposes of this act, and shall be deposited, held, and paid out as may be directed by rules and regulations established by the President.

Any person entitled to a loan under this act may make application through any postmaster on blanks to be provided by the bureau through the postmaster, such application to be sworn to before the postmaster, who shall mail the same to the bureau or to such examiner or agent as the board may direct. All local appraisers shall be selected by the postmaster upon direction of the board and pursuant to rules and regulations of the board, such appraisers to be without interest in the proposed loan, and make their sworn appraisal on forms to be furnished by the board. If in the judgment of the board the applicant is entitled to a loan, that the purpose for which the loan is procured is within the purposes of this act, and that the title to the land is clear and constitutes a safe security for the amount sought, the applicant shall execute a mortgage in the form provided by the board. Such

mortgage shall contain proper provision for foreclosure in case of default or for fraud or misrepresentation in procuring the loan: *Provided*, That in case of foreclosure by default the borrower shall have one year in which to redeem from sale. State courts shall have the same jurisdiction of all proceedings based on the loans made under this act that they would have were the loan one made to the borrower from a source other than the bureau.

That no fee or charge of any kind whatsoever by way of commission shall be exacted or demanded or paid for granting or obtaining loans from said bureau, and any official or other person, except abstracters and registers of mortgages, who shall charge any commission or fee, or any other person who shall, directly or indirectly, exact, demand, or receive any fee for service in obtaining a loan, or any applicant for a loan who shall knowingly make any false statement in his application, and any appraiser who shall willfully overvalue any land, or any person who shall knowingly make any false statement in any application, appraisal, or report made under the operations of this act, shall be deemed guilty of a misdemeanor, and shall be fined in any sum not to exceed \$1,000, and may be imprisoned not exceeding one year, or both.

That the sum of \$100,000, or such part thereof as may be required, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, for the purpose of carrying out the provisions of this act.

Mr. WINGO. Mr. Chairman—

Mr. LEVER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in five minutes.

Mr. NEELEY of Kansas. Reserving the right to object, Mr. Chairman, I want a little time.

Mr. LEVER. I will make it 10 minutes, then.

Mr. MOORE. Reserving the right to object, are all of these speeches to be on one side of the question?

Mr. LEVER. I can not tell the gentleman.

Mr. MOORE. Will not the gentleman make an allowance of five minutes for some one in opposition? Some of us on this side have heard all these speeches on one side only.

Mr. LEVER. The time is controlled by the Chair, and the Chair usually recognizes gentlemen on alternate sides.

Mr. MOORE. May I control five minutes in opposition to the amendment?

Mr. LEVER. Does the gentleman desire five minutes himself?

Mr. MOORE. Yes; I would like to control five minutes, because I think that after four or five hours' debate something should be said on the side of the great industrial and commercial interests of the country.

Mr. LEVER. Then, Mr. Chairman, I ask unanimous consent that all debate on this amendment and amendments thereto close in 20 minutes, 5 minutes to be controlled by the gentleman from Pennsylvania [Mr. MOORE], 10 minutes by the gentleman from Arkansas [Mr. WINGO], and 5 minutes by the gentleman from Kansas [Mr. NEELEY].

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all debate on this amendment and amendments thereto close in 20 minutes, 10 minutes to be controlled by the gentleman from Arkansas [Mr. WINGO], 5 minutes by the gentleman from Kansas [Mr. NEELEY], and 5 minutes by the gentleman from Pennsylvania [Mr. MOORE]. Is there objection?

There was no objection.

Mr. WINGO. Mr. Chairman, there is embodied in the amendment I have just offered a modification of the rural credits plan which I have been advocating. The amendment as presented does not represent my views in detail, as I have taken out some of the things from my original plan which I did not like to take out and I have put in some provisions that I did not like to put in, but I have taken out those things and put in others in an effort to try to harmonize the differences of those of us who believe in rural credits. I recognize, Mr. Chairman, that at this late hour and in the peculiar parliamentary situation in which we find ourselves there is no hope to have my plan considered to the extent necessary to have you adopt it as a substitute for the pending proposition. I recognize that owing to the peculiar parliamentary situation Members are necessarily compelled to choose between what is known as the McCumber amendment, which was put on this bill in the Senate, and what is known as the Hollis amendment, which has been reported to the House from the House committee, to which the Senate amendment was referred. I regret that the situation is such that the friends of rural credits are compelled to choose between these two propositions, because, to my mind, neither one is a practical rural credits measure. One of them, the McCumber amendment, recognizes the principle of Government aid, while the Hollis proposition is nothing more than a competitive, profit-making land-mortgage bank scheme, too cumbersome to use, too limited and complicated in its terms to be of any practical benefit to the American farmers, who are in need of proper rural credits facilities.

Being compelled to choose between these two measures, and recognizing that neither of them stands any chance of being put to a practical test by being put into operation, I shall vote to

concur in the McCumber amendment in order to express my conviction that Government aid is necessary for the establishment of a rural credits system in this country. Then, again, I am led to vote to concur in the Senate amendment, because I believe it more nearly meets the needs of the American farmer and is in keeping with his demands. The Hollis bill, if enacted into a law, would be of no benefit to the farmers of Arkansas except in a few isolated instances. Under the Hollis plan, if a farmer wishes a loan upon his land he must get four of his neighbors to join with him in organizing a \$10,000 bank, to be known as a farm-loan association, and each of them must take \$2,000 worth of stock. Of the \$10,000 capital thus put up they must first take \$2,000 and invest this amount in United States Government bonds, and take the remaining \$8,000 and deposit the same in a national bank. This local bank thus formed will be authorized to make loans to the farmers in its community, but before any farmer can get a loan he must purchase capital stock of this bank to an amount equal to 5 per cent of the amount he wishes to borrow. In other words, the Hollis bill simply authorizes the farmer to loan his own money to himself, provided he will organize a corporation and buy \$2,000 worth of Government bonds.

This gives the farmer no additional right, because he has a right to use his own money now. In other words, the Hollis bill in effect tells the farmer that he needs "lifting," and that the Federal Government very graciously extends to him the privilege of lifting himself by his own boot straps. I wish to say to those who propose the Hollis land-bank scheme that the American farmer has been fleeced too often in being induced to subscribe to stock in some corporation, which he is told is organized for his benefit, but which to his sorrow he has found is organized for the sole purpose of taking his money away from him. He does not intend to subscribe to any more stock schemes nor will he be satisfied with a profit-making, speculative land-banking system, by being told that it is a rural-credit system. He knows that such a scheme is not a rural-credit system and will have nothing to do with it. I know that some farmers have been led into indorsing the Hollis-Bulkley bill by explanations of it which have appeared in some of the farm papers. I have one of these indorsements to-day, which inclosed a newspaper clipping describing the Hollis-Bulkley bill. This clipping states that under the Hollis-Bulkley bill the rate of interest shall not exceed 5 per cent. This statement is false, for the limit that the Hollis-Bulkley bill places on the interest rate is the limit of interest fixed by the law, which in my State would be 10 per cent.

Mr. Chairman, those who propose an expensive, cumbersome, speculative, profit-making land-bank scheme to meet the demand for rural-credit legislation have not grasped the theory of rural credits. The only justification that the Government has for legislation of this character is that justification, which is based upon meeting a great economic national necessity, which in this case is represented by the national need to promote farm-home ownership in this country, and increasing the productiveness of American farms, so as to check the dangerous tendency which the census reports show is on the increase in the number of tenants in the country, and the passing of the farm lands into the hands of the large holders. A proper rural credit plan will be one that will enable the poor farmer who is struggling to get a home and develop a farm to procure his capital funds at a reasonable rate of interest and upon such terms as not to be burdensome. What chance is there under an expensive land banking scheme like the Hollis plan for a young farmer who is starting out in life and wishes to purchase a piece of land upon which to make his home and clear up and develop a farm? Where can the tenant farmer get a home under the Hollis system? Take the farmer who has only 80 acres, and has five sons all growing up, and he wishes for these five sons to purchase and develop and make farm homes for themselves. I ask you what assistance can these boys get under the Hollis plan? Absolutely none.

But, Mr. Chairman, why discuss the relative merits of these two plans? The only interest in discussing them is for the purpose of determining which of the two plans you will vote for to-night, for the sole purpose of expressing your sentiments, because, I take it, that no man here is so foolish as to believe that any rural-credit legislation by this Congress will come out of this situation to-night. None of you regard this performance other than a legislative game of hide and seek being played between the Senate and the House for the purpose of placing the blame each upon the other for failure to carry out the pledges we have made to the American farmer. Each one of you know that the only possible chance to get rural-credit legislation at this session is to vote for the McCumber amendment, because if you vote for that and the House adopts it, it

goes into the law, because the Senate has already passed it, and it would then be beyond the control of both Houses and of the conferees, as they could not eliminate it from this bill when they go into conference; but, on the other hand, if you vote down the McCumber amendment and you vote for the Hollis amendment, that action will send this bill to conference and give the conferees an opportunity to eliminate rural credits from this bill and kill all hope of legislation at this session.

It is the same old game of hide and seek that has been played between the two Houses many times in the past, and the American farmer will know it. You can not deceive him by telling him that the Senate would not concur in the House amendment, and then have the Senate tell him that the House would not concur in the Senate amendment, and each try to place the blame upon the other. [Laughter and applause.] He has heard that excuse too often and knows that it is nothing more than excuse given to justify a neglect to legislate.

How did this situation arise, Mr. Chairman? Was it because that a majority of either House wished to consider rural-credit legislation at this session? No, Mr. Chairman; it is not by premeditation and design that we are now considering rural credits, but it is because somebody went to sleep in the Senate, when those who oppose rural-credit legislation thought they had it killed for this session of Congress. How did it happen, Mr. Chairman, that the Senate passed the McCumber amendment by unanimous consent? I will describe the scene for you. There were six tired and sleepy Senators sitting in their seats the other night, and one of their distinguished number, Senator McCUMBER, was delivering a speech on rural credits, which, I believe, all of his colleagues thought was being made for home consumption.

But he wound up his speech by offering this amendment. Three of the six Senators were asleep, one of the others was the distinguished and able blind Senator from Oklahoma, and these four, with Senator McCUMBER and Senator HOLLIS, constituted the Senate upon that occasion. Senator HOLLIS at first objected to the amendment, which objection would have killed it, but after a few words whispered in his ear by the Senator from Oklahoma he withdrew his objection. I know not what the Oklahoma Senator said to the New Hampshire Senator, but, no doubt, the Senator from New Hampshire withdrew his objections because he saw an opportunity to have his bill—that is, the Hollis bill—adopted in conference. So the McCumber amendment was adopted as a rider to the Agricultural appropriation bill, and to the surprise of everybody, and especially to it, the United States Senate passed a bill of great import by unanimous consent and without debate. [Laughter and applause.]

Mr. Chairman, for over a hundred years this Government has been fostering the manufacturing and industrial interests of this country. In the beginning of our history we were an agricultural people and had no manufacturing enterprises, and were therefore at the mercy of the manufacturers of Europe, and our forefathers very properly determined by wise legislation to foster manufacturing enterprises in this country, and we have pursued this policy of fostering the manufacturing interests down to the present time.

All of our energies and most of our legislation have had for their central aim the building up of great industrial enterprises and the fostering of our commercial interests to the neglect of agriculture. That is the history of this country, but you know that the time has arrived when agriculture, which has been so long neglected, must be taken into consideration, and equal attention be given it in the framing of our laws and in the development of our governmental policies. The one thing needed to do this is to pass a practical, simple, bona fide rural-credit bill, and sooner or later you will be compelled to do it. You can dodge this issue if you want to. You can play with it to-night, as you are playing with it. You can vote down the McCumber amendment, as those who are opposed to this legislation intend to do, and adopt the Hollis land-bank scheme, thinking that by sugar-coating it with the Bulkley so-called Government-aid provision you can deceive the American farmer, but you are mistaken. Why not face this question like statesmen, and not like politicians? Why not meet this great economic problem and solve it as men who think of the future, and not like politicians who think alone of their present political interests. The only chance you have for rural-credit legislation at this Congress is to vote for the McCumber amendment. It is not what we would like to have, but it is a step in the right direction. If you vote down the McCumber amendment and substitute for it the Hollis land-bank scheme and throw this bill into conference, you lose your only chance to get legislation at this session. The issue is clear-cut, so let no man be deceived. Those who oppose rural-credit legislation,

as well as those who oppose Government aid, will vote solidly against the McCumber amendment and for the Hollis land-bank scheme; so let no man who favors rural-credit legislation be misled into following in their footsteps. [Applause.]

Mr. NEELEY of Kansas. Mr. Chairman and gentlemen, I want to indorse the most of what my good friend from Arkansas [Mr. Wingo] has said, but I also desire to both congratulate and apologize, to congratulate the Republican Party that one of its Senators found six Senators so sleepy that he was able to startle the Senate and attract the attention of this House and the country to an unfulfilled Democratic promise and to felicitate that party upon the fact that it has thrown into this House six or eight undigested farm-loan bills and has forced an issue of rural credits upon the country. [Applause.] A year ago last August we held a prolonged Democratic caucus in this very room, and I then offered a motion to open the doors of that caucus so that every man or woman who wanted to hear the proceedings could do so and might know exactly what took place. [Applause.] That motion was voted down. I said then that I thought it was bad politics, that the bill should be framed in the white light of public criticism, and the situation confronting us to-night is additional proof of the fact. We made a fight in that caucus to secure the adoption of certain amendments which, if adopted, would have laid a deep foundation for rural-credit legislation, and which we believed should be incorporated in the currency bill, and finally, after we had been here three weeks, lacking one day, a compromise was effected and certain gentlemen came upon the floor of that caucus and stated that they were authorized to state that if this rural-credits proposition that was then ready to be offered was withheld that the subject would be taken up in due time and in regular order, so that it might be given the consideration which the importance of legislation of this character demanded that it should receive before being enacted into law. The advocates of rural-credit legislation believed that pledge was offered in good faith, and they accepted the offer in that spirit and kept their part of the pact. The President of the United States came out in a newspaper interview in which he stated that rural credits was the next great project to be taken up, and he stated that at the proper time he would call the attention of Congress to this most important matter and urge its enactment. The President did exactly as he stated he would do, and when Congress convened in December he appeared before the two Houses and urged rural-credit legislation. This matter has never been considered by the Banking and Currency Committee as a committee. Certain members of this committee have been insisting for over a solid year that this question of rural credits that we are now being charged with having neglected be presented to this committee and that they be given an opportunity to take it up and consider it. During the time we were considering the currency bill in the caucus a year ago last August a motion was made by the gentleman from Oklahoma [Mr. MURRAY]—

Mr. CALLAWAY. Will the gentleman yield?

Mr. NEELEY of Kansas. I can not yield now; I am sorry, for I have only five minutes.

Mr. CALLAWAY. I wanted to ask who kept you—

Mr. NEELEY of Kansas. I am coming to that. A motion was made by the gentleman from Oklahoma [Mr. MURRAY] that a committee be appointed to take up this matter and to report before the end of this Congress. I offered an amendment to that motion that this committee be instructed to report before the beginning of the last session of the present Congress, and the motion as amended was adopted. A subcommittee of the Banking and Currency Committee was appointed. It began its deliberations in the fall of 1913, and finally, in May, 1914, a bill, supposed to embody the result of the deliberations of that subcommittee, was introduced in the House. There has never been any action on the part of that committee from that day to this looking to the enactment of rural-credit legislation, and six weeks ago the gentleman from Arkansas [Mr. Wingo], in an open session of the Banking and Currency Committee, made a motion that the committee immediately proceed to take up and consider the question of rural credits, with a view of reporting a bill to this House for passage, but that motion was voted down. Every Republican member of that committee, if my recollection serves me aright, voted against the motion, and reinforced by three Democrats, who joined hands with them, they then and there ended all opportunity for deliberation on the subject of rural-credit legislation during this Congress.

Mr. RAGSDALE. Mr. Chairman, will the gentleman permit an interruption there?

The CHAIRMAN. Does the gentleman from Kansas yield to the gentleman from South Carolina?

Mr. NEELEY of Kansas. I do.

Mr. RAGSDALE. And that was done in the face of a Democratic caucus here, directing us to bring out rural-credit legislation?

Mr. NEELEY of Kansas. Yes; an explicit instruction and direction. I am glad that Senator McCUMBER has put this amendment on this bill. [Applause.] I know that it is not perfect. It looks to me as though its author had simply called in a stenographer and dictated it in an hour or so without giving the matter very serious consideration. But with all of its faults, with all of its failures, and with all of its shortcomings I am ready to vote for it and really start the ball of rural credits to rolling. [Applause.] And if you Democrats do not like that kind of hit-and-miss legislation, why, in the name of heaven, do you not help us to get a committee organized for business and get a bill that is decent? [Applause.]

We could not get that committee together.

Only six weeks ago they came to our committee with a resolution to create another committee, this time to investigate the subject of personal credits, and I made the statement then in the committee room, and I believe it now, that all this personal-credit agitation was designed and intended to kill rural-credit legislation. I believe it was conceived in sin and born in iniquity, and I propose to do my part as I see it by endeavoring to at least make a start here and now. [Applause.]

The CHAIRMAN. The time of the gentleman from Kansas has expired.

Mr. MOORE. Mr. Chairman, the farmer is certainly "in the hands of his friends" to-night. [Laughter on the Republican side.] But there is no one here to speak for the great industrial interests. [Laughter on the Democratic side.] We must swallow this bill. Nobody dares to speak against it for fear he will be accused of representing the trusts, the oil companies, the great monopolies, such as recently induced our Democratic President to urge the passage of a ship-purchase bill in order that we might employ foreign labor to build ships at American expense.

But even so, the farmer may yet ask to be "saved from his friends," because they are not unitedly representing his case. Some of them are proving too much. They are proving the farmer to be too downtrodden, too tax ridden. While there is nonemployment in the great cities, due to the fact that we are suffering from low tariffs and are paying more for farm products than we ever paid before, "the poor, downtrodden farmer" is apparently paying less for everything that comes out of the mill districts than he ever did before. While we are voting relief to the farmer, we are imposing increased taxation upon the man who dares to start our enterprises in the great cities.

We are making his burdens heavier and heavier. Some one has indicated that the Republican Party has done nothing for the farmer, but has specialized in the interest of the industrialist. The fact is the Republican Party started the Bureau of Agriculture which has developed into the present Department of Agriculture. It was established under the immortal Abraham Lincoln. [Applause on the Republican side.] The Republican Party also gave the farmer free rural delivery, and we are paying for it out of the common Treasury, and the industrialist pays his share, at a loss of probably \$40,000,000 a year. That service was established under President Benjamin Harrison.

I do not know what the Democratic Party has done except to come here and wail over the condition of the American farmer; and yet to-day, when the people in my city who have employment are fabricating goods for the farmer, and getting less for them than they ever got before, the farmer is getting more for what he sells to us—and we must have three meals a day—than ever before. The farmer is riding in automobiles to-day while we are beating the asphalt streets on foot. [Laughter and applause.] What are you giving to the industrialists? I find very little in any of the appropriation bills. You talk about "the special interests," and charge them up to the great cities. I challenge you to show what you are doing for the manufacturing interests of this country. You say we have the tariff. We do not have much, but such as we have is also enjoyed by the farmer. On the tariff proposition we stand to rise or fall together. Do not forget that.

Talk of appropriations to the great industrial interests. Where are they? I fail to find them. But take up the agricultural bill. The cities contribute to that. We appropriated \$26,000,000 only a few days ago for the purpose of taking care of the farmer from the time he goes out to brush the bugs off the berries in the garden to the time he gets into his automobile to run along the macadam road we are providing for him in order that he may get the prevailing high prices for his goods in the city. [Applause.] Why, in the sundry civil bill we have just voted \$8,500,000 for forestry.

The city man has no special interest in that. In this same sundry civil bill we gave \$14,500,000 for irrigation. That is at the rate of about \$7,500 per farm irrigated. Come into Pennsylvania or New Jersey and I will sell you all the farms you want, with fine buildings on them, under cultivation, near a market, for less than you are spending on your irrigated farms in arid or semiarid country. Talk about what you have done for us. Look at your river and harbor bill. There is \$31,000,000 in it this year, and one-half of it goes down the Mississippi Valley to protect farm lands against inundation. You are doing very little for us in the great cities except to make us pay. Bear that in mind. My friend from Michigan [Mr. McLAUGHLIN] reminds me that the bankers get money from the Government. Yes; they get from the Government about \$75,000,000—that is a mere bagatelle—and they buy Government bonds and pay interest on them in order to get even this small sum to lend to the farmers of the country. I presume they would still survive even if the Government withdrew the money. You passed a Federal reserve bill here recently, and said you were going to provide a credit system for the farmer. You did take care of the farmer in that bill and permitted him to come in like other men and get loans on such credit as he had. But what can one say on a great topic like this in five minutes? I should like to tell you a few more things about what has been done for the farmer. In the campaign to please the farmer you have depopulated the mills and deprived the farmer of many of his best customers. You have thrown the mill workers out on the streets, but out in the country we are building roads, taking care of the forests, providing for the farmers' colleges, administering medicine to his cattle, destroying his bugs, and much else. [Applause.]

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORE. Then, I shall extend my remarks in the Record.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Arkansas [Mr. WINGO].

The question was taken, and the Chair announced that the noes seemed to have it.

Mr. WINGO. Division, Mr. Chairman.

The committee divided; and there were—ayes 42, noes 103.

So the amendment was rejected.

The CHAIRMAN. The gentleman from Georgia [Mr. HOWARD] is recognized.

Mr. HOWARD. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend the substitute by striking out all after the word "that" and inserting the following:

"The short title of this act shall be 'National farm-land bank act.'"

"DIVISION OF FARM-LAND BANKING.

"SEC. 2. That there is hereby created in the Department of Agriculture of the United States a separate division, to be known as the 'division of farm-land banking,' to be under the general direction and charge of a farm-land banking board, which is hereby created, consisting of the Secretary of Agriculture (who shall be chairman), the Secretary of the Interior, and the Attorney General. The work of the division of farm-land banking shall be directed and its rules enforced by a director of farm-land banking, who shall be appointed by the President, by and with the advice and consent of the Senate, to serve for a term of five years or until his successor is appointed and qualified, and he shall be eligible for reappointment. Such director of farm-land banking shall receive a salary of \$7,500 per year, payable in equal monthly installments. There shall also be an assistant director of farm-land banking, similarly appointed, serving for a similar term, and receiving a salary of \$6,000 per year, payable in equal monthly installments; and such assistant shall have all the powers of the director in case of his absence or disability. The director of farm-land banking shall employ from time to time the necessary clerks and assistants, to be appointed and classified by the Secretary of Agriculture, to discharge such duties as the director shall designate. Both the director and assistant director of farm-land banking shall furnish and execute a bond for the faithful performance of their duties in such amount as may be required by the farm-land banking board. Neither the director nor assistant director shall own any stock in, or receive any salary or emolument from, any national farm-land bank organized under this act. The director of farm-land banking shall annually make a report to Congress, giving a list of the national farm-land banks organized under this act, with the list of the officers and directors of each, and a detailed statement of their resources and liabilities, together with such other information as the farm-land banking board may require or as Congress may request. All salaries and operating expenses of the farm-land banking board, and of the director of farm-land banking, his assistants and employees, shall be provided for by special appropriation of Congress, to be included in and counted as part of the appropriation for the Department of Agriculture.

"RULES AND REGULATIONS FOR FARM-LAND BANKS.

"SEC. 3. That within 90 days after the approval of this act, or as soon thereafter as may be, the farm-land banking board shall formulate and adopt the rules and regulations governing the operations of farm-land banks organized hereunder, in accordance with this act, which rules and regulations shall be enforced by the said director of farm-land banking and by his assistant, who shall likewise be appointed by the President, by and with the advice and consent of the Senate, within said 90 days, or as soon thereafter as may be.

"POWERS OF DIVISION OF FARM-LAND BANKING.

"SEC. 4. That the Division of Farm-Land Banking is authorized and empowered, upon proper application, and upon the recommendation of the director of farm-land banking, to issue charters or certificates of incorporation for the establishment of local national farm-land banks and State national farm-land banks, as herein provided for; and to exercise supervision and control over, and to make examinations of, all of the national farm-land banks established under this act, under such general rules and regulations as may be by it provided; and to withdraw or forfeit the charters of such local and State national farm-land banks, or liquidate such banks whenever necessary, in accordance with rules to be by it provided; subject in all respects to the requirements and provisions herein contained.

"SEC. 5. That the said Division of Farm-Land Banking is hereby authorized by general rules and regulations, applicable alike to all the local and State national farm-land banks organized hereunder, to specify the conditions under which the privileges, or certain of them, herein authorized to be granted to said local and State national farm-land banks, shall be extended to such banks; and particularly to provide for the extension of such privileges, or certain of them, only to local and State national farm-land banks operating in those States, which, by the passage of suitable laws, have met the requirements of the said Division of Farm-Land Banking.

"First. As to the simplification of land title registration and conveyancing;

"Second. As to the simplification and economy of methods of securing farm-land loans and of foreclosing the same;

"Third. As to the removal of any species of taxation, direct or indirect, which may exist upon farm-land mortgages or deeds of trust and the obligations secured thereunder, or upon collateral trust bonds (or national land-bank bonds against the same) issued by the United States farm-land bank; and

"Fourth. As to withdrawing or canceling the right under State laws to claim exemption or providing for the waiver of such exemption, whether homestead or otherwise, against the mortgages or deeds of trust and bonds or obligations secured thereunder, representing the loans made on farm lands by the local national farm-land bank, and as to the insertion of such waiver of exemptions in such mortgages, deeds of trust, and bonds or obligations secured thereunder wherever the laws of the State permit such waiver, all as more fully provided elsewhere in this act.

"The said division of farm-land banking shall have the power to specify the time when such rules and regulations will go into effect and the time within which such conditions must be complied with, and to extend and enlarge such time, and to withhold such privileges from the local and State national farm-land banks operating in any State failing to comply with such provisions and regulations until the same are fully complied with.

"SEC. 6. That the Secretary of Agriculture, acting through the director of farm-land banking, shall furnish a seal for the farm-land banking board, shall furnish vaults and storage room for the preservation of its records and papers, shall supply offices for its operations and for the use of its officers and employees, and shall furnish current supplies.

"SYSTEM OF NATIONAL FARM-LAND BANKS AUTHORIZED.

"SEC. 7. That there is hereby authorized the creation of a system of national farm-land banks, as hereinafter more fully set out, embracing:

"First. Local national farm-land banks, such as 'Doeville national farm-land bank.'

"Second. State national farm-land banks, such as 'Virginia national farm-land bank.'

"Third. The United States national farm-land bank.

"All as hereinafter set forth.

"GENERAL POWERS OF ALL NATIONAL FARM-LAND BANKS.

"SEC. 8. That every local and State national farm-land bank, and the United States farm-land bank, upon being properly organized as herein provided, and from the date of such organization, shall, in addition to the specific powers hereinafter conferred on the several national farm-land banks, have the following general powers:

"First. To be a body corporate.

"Second. To adopt and use a corporate seal.

"Third. To have succession for a period of 50 years from its organization, unless it is sooner dissolved according to the provisions of its articles of association (or in the case of local and State national farm-land banks by the act of its shareholders owning two-thirds of the capital stock), or unless its franchise becomes forfeited by some violation of law: *Provided*, That the charters of all local and State national farm-land banks shall be at all times subject to change, amendment, or repeal under laws enacted by Congress, and that the charter of the United States farm-land bank shall be at all times subject to change, amendment, or repeal by act of Congress: *Provided further*, That no such change, amendment, or repeal shall in any way affect the rights of the creditors of such national farm-land banks.

"Fourth. To make contracts.

"Fifth. To sue and be sued, complain and defend, in any court of law and equity, as fully as natural persons.

"Sixth. To elect or appoint directors, and by its board of directors to appoint officers, to define their duties, require bonds of them and fix the penalty thereof, dismiss such officers or any of them at pleasure, and appoint others to fill their places, subject, however, to the conditions and restrictions contained in this act.

"Seventh. To prescribe by its board of directors by-laws, not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected or appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed, subject to the requirements and provisions set out in this act.

"Eighth. To exercise by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on the business of farm-land banking.

"*Provided*, That the foregoing general powers are subject to the modifications, restrictions, limitations, and conditions elsewhere provided in this act for the specific institutions created hereunder, and are exercised under the direction, supervision, and control of the division of farm-land banking in accordance with general rules and regulations adopted and promulgated by it in conformity with the provisions of this act.

"GENERAL PROVISIONS REGARDING ALL NATIONAL FARM-LAND BANKS.

"SEC. 9. That the following provisions shall apply to all national farm-land banks incorporated under this act, including the United States farm-land bank, except as otherwise provided herein:

"First. The capital stock of all local and State national farm-land banks, and of the United States farm-land bank, and the income

derived therefrom, and the mortgages and deeds of trust and notes and bonds secured thereunder held by said banks, and the collateral trust bonds or national land-bank bonds issued by the United States farm-land bank shall be forever exempt from all Federal, State, local, or other taxation.

"Second. No national farm-land bank shall at any time loan any money upon the faith or credit or upon the assignment of its own stock or of the stock of any other national farm-land bank; nor shall any national farm-land bank loan to or on the credit of any one individual or institution, either on the security of land or on any other security, an amount in excess of 20 per cent of the sum of its then paid-in capital and surplus: *Provided*, That this latter provision shall not apply to the guaranty by local and State national farm-land banks of long-term real estate loans, as hereinafter provided.

"Third. Each director of each national farm-land bank, when appointed or elected, shall take an oath that he will, so far as the duty devolves on him, diligently and honestly administer the affairs of such bank, and will not knowingly violate or willfully permit to be violated any of the provisions in this act. Such oath, subscribed by the director making it and certified by the officer before whom it is taken, shall be immediately transmitted to the director of farm-land banking and shall be filed and preserved in his office.

"Fourth. At least once in each three months, the directors of each national farm-land bank shall make a careful examination and verification of the affairs of the bank, entering the result in their minutes and forward a copy of the same, signed by a majority of the directors who made the examination, to the division of farm-land banking.

"Fifth. The director of farm-land banking, with the approval of the Secretary of Agriculture, shall, as often as shall be deemed necessary or proper, appoint a suitable person or persons to make an examination without notice of the affairs of every national farm-land bank, who shall have power to make a thorough examination into all the affairs of the bank, and, in doing so, to examine any of the officers and agents thereof on oath, and who shall make full and detailed report of the condition of the bank to the director of farm-land banking. The person assigned to the making of such examination of the affairs of any national farm-land bank shall have the power to call together a quorum of the directors of such bank, who shall, under oath, state to such examiner the character and circumstances of such of its business as he may designate. All national farm-land bank examiners shall receive fixed salaries, the amount whereof shall be determined by the farm-land banking board, and annually reported to Congress; but the expense of the examinations herein provided for shall be assessed by the farm-land banking board upon the banks examined, in proportion to assets or resources held by such banks, upon a date during the year on which such examinations are held, to be established by the farm-land banking board. The director of farm-land banking shall so arrange the duties of these examiners that no two successive examinations of any bank shall be made by the same examiner. The provisions of section 22 of the Federal reserve act, prohibiting the making of any loan, or the granting of any gratuity to the examiner of a national bank, shall apply with equal force to examiners of national farm-land banks, and the penalties and punishments therein provided shall be equally applicable to such examiners of national farm-land banks.

"Sixth. The director of the farm-land banking shall, at the time of organization of each national farm-land bank, designate some individual who is not an officer or director of the bank and who is not objectionable to the directors of the bank, as a Federal fiduciary agent for that bank, and such agent shall be the representative of the division of farm-land banking. As such Federal fiduciary agent he shall have the following powers and duties:

"A. IN THE CASE OF LOCAL NATIONAL FARM-LAND BANKS.

"1. He shall certify on each mortgage or deed of trust that such mortgage or deed of trust has been properly recorded or registered in the proper land registry office and that the same is a first mortgage or first deed of trust upon the land thereby conveyed. Upon each note or bond secured under such mortgage or deed of trust he shall certify that such note or bond is so secured by such mortgage or deed of trust. No mortgage or deed of trust or note or bond secured thereunder shall be guaranteed by a local or State national farm-land bank, or shall be used as security for collateral trust bonds or national land-bank bonds issued by the United States farm-land bank, as hereinafter set out, unless and until the certificates above provided have been entered on the same by such Federal fiduciary agent for the local national farm-land bank making the loan.

"2. He shall have joint possession and control with the local national farm-land bank of all amortization payments or other payments made by the borrower upon the principal amount due on first mortgages or first deeds of trust, and upon the notes or bonds secured thereunder, held by the said bank as evidencing long-term loans, so long as such amortization or principal payments remain in the possession of the said bank. And he shall see that all proper credits are made upon the mortgages or deeds of trust, and the notes or bonds secured thereunder, when such payments are made; and that proper entries of such payments are made in the mortgage ledger as hereinafter provided; but no disposition shall be made of the funds derived from such amortization or principal payments except by and with his consent in writing.

"3. He shall have the supervisory control of all entries in the mortgage ledger kept by the bank, in which ledger shall be kept a detailed statement of all mortgages or deeds of trust, and notes or bonds secured thereunder, taken and held by the bank as an evidence of long-term loans, as well as such other information as may be required by the division of farm-land banking.

"And no entries shall be made in said mortgage ledger indicating the acceptance of mortgages, the withdrawal or substitution of mortgages, or credits on mortgages so held by the bank, except by and with his approval in writing, which approval may be signified by signing his name on the margin of the page in the mortgage ledger where such entries are made.

"B. IN THE CASE OF STATE NATIONAL FARM-LAND BANKS.

"1. He shall have joint possession and control with the State national farm-land bank of the mortgages or deeds of trust, and of the notes or bonds secured thereunder, which are sent to the said State national farm-land bank by any local national farm-land bank, after being guaranteed by it, so long as such mortgages or deeds of trust and the notes and bonds secured thereunder are in the possession of said State national farm-land bank. And no mortgage or deed of trust, or note or bond secured thereunder, so coming into the joint possession of himself and the said State national farm-land bank, shall be disposed of in any way except by and with his consent in writing.

"2. He shall have joint possession and control with the bank of all amortization payments, or other payments made by the borrower upon

the principal amount of first mortgages or first deeds of trust, and upon the notes and bonds secured thereunder, which shall come into the possession of the said State national farm-land bank through any local national farm-land bank; and no disposition shall be made of such amortization or principal payment funds except by and with his consent in writing.

"3. He shall have the supervisory control of all entries in the mortgage ledger kept by the said State national farm-land bank, in which ledger shall be kept a detailed statement of each mortgage or deed of trust, and of the notes and bonds secured thereunder, forwarded to said State national farm-land bank by any local national farm-land bank, together with a statement of the date of its receipt, a description of the same, and the statement as to whether such mortgage or deed of trust or the notes or bonds secured thereunder was indorsed or guaranteed by said State national farm-land bank, and what disposition was made of the same; together with such other information as may be required by the division of farm-land banking. And no entry shall be made in the said mortgage ledger indicating either the receipt of mortgages or deeds of trust or notes or bonds secured thereunder, or the withdrawal or substitution of the same, or credits on the same, when so held by the State national farm-land bank, except by and with his consent in writing, which approval may be signified by signing his name on the margin of the page in the mortgage ledger where such entries are made.

"C. IN THE CASE OF THE UNITED STATES FARM-LAND BANK.

"1. He shall certify to each collateral trust bond (to be known as national land-bank bonds) issued by the said bank, and no collateral trust bond issued without his signature shall be binding upon the said bank.

"2. He shall have joint possession and control with the bank of the mortgages or deeds of trust, and of the notes or bonds secured thereunder, together with any and all guaranties thereupon executed by State or local national farm-land banks, which are deposited as security for national land-bank bonds issued by the United States farm-land bank; and no mortgage or deed of trust or note or bond secured thereunder, so placed in the joint possession of himself and the said bank, shall be withdrawn or changed or have any credit made thereon, except by and with his consent in writing.

"3. He shall have joint control with the United States farm-land bank of all amortization payments, or other payments made by the borrower, upon the principal amount of first mortgages or first deeds of trust, and upon the bonds or notes secured thereunder, which are held as security for the national land-bank bonds issued by the United States farm-land bank, whether such payments are received directly from the borrower or through the State and local national farm-land banks. And no disposition shall be made of the funds derived from such amortization or principal payments except by and with his consent in writing.

"4. He shall have the supervisory control of all entries on the mortgage ledger kept by the United States farm-land bank, in which ledger shall be kept a detailed statement of each issue of national land-bank bonds or debentures made by the bank showing the date of issue, the rate of interest, the date of maturity, and the provisions for calling in and paying the same, together with a record of all mortgages or deeds of trust, and the notes or bonds secured thereunder, held by the said United States farm-land bank and himself, jointly, to secure the national land-bank bonds of the United States farm-land bank. The mortgage ledger shall also give a description of such mortgages or deeds of trust, giving the date of making, date of recording, a short description of the property conveyed, a description of the notes or bonds secured thereunder, with their date of issue and maturity, and a statement and description of the guarantee of the local and State national farm-land bank through which such mortgages or deeds of trust, and the notes or bonds secured thereunder came into the possession of the United States farm-land bank. And said mortgage ledger shall also show such other information as may be required by the division of farm-land banking. No entries shall be made in the said mortgage ledger indicating either the deposit of mortgages or deeds of trust, or notes or bonds secured thereunder, the withdrawal or substitution of the same, or any of them, or any credits on any of such mortgages or deeds of trust, or notes or bonds secured thereunder, so held by the United States farm-land bank, except by and with his approval in writing, which approval may be signified by signing his name on the margin of the page in the mortgage ledger where such entries are made.

"D. IN THE CASE OF ALL NATIONAL FARM-LAND BANKS.

"He shall perform such other duties as the director of farm-land banking shall prescribe and shall execute such bond, with such security as may be required by the director of farm-land banking. The salaries and expenses of such Federal fiduciary agent shall be fixed by the joint agreement of the bank for which he is acting and of the director of farm-land banking, and shall be paid by the farm-land bank with which such agent is acting.

"Seventh. Every local and State national farm-land bank and the United States farm-land bank may each purchase, hold, and convey real estate for the following purposes, and for no other:

"(a) Such as shall be necessary for its immediate accommodation in the transaction of its business.

"(b) Such as shall be mortgaged to it by way of security for loans made by it.

"(c) Such as shall be conveyed to it in satisfaction of debts contracted in the course of business dealings.

"(d) Such as it shall purchase at sale under judgments, decrees, or mortgages or deeds of trust, held by the bank, or shall purchase to secure debts due to it. But no such bank shall hold the title and possession of any real estate conveyed to or purchased by it to secure any debts due to it for a longer period than five years.

"CAPITAL STOCK.

"Eighth. The shares of stock of each national farm-land bank shall be of the par value of \$100 each, and each stockholder in a local national farm-land bank shall be entitled to one vote for each share of stock standing in his name. Shareholders in local national farm-land banks may vote by proxies duly authorized in writing; but no officer, clerk, or employee of such bank shall act as proxy, and no shareholder whose liability is past due or unpaid shall be allowed to vote; nor shall any one person vote in person or by proxy more than 10 per cent of the outstanding stock at any meeting of stockholders.

"At least 50 per cent of the capital stock of every local national farm-land bank shall be paid in before it is authorized to do business, and the remainder of the capital stock of said bank shall be paid in, in installments of at least 10 per cent each on the whole amount of the capital, as frequently as one installment before the end of each suc-

ceeding month from the time it shall be authorized by the director of farm-land banking to commence business, and the payment of each installment shall be certified to the director of farm-land banking, under oath, by the president or other officer of the bank.

"Whenever any shareholder or his assign fails to pay any installment on the stock of a local national farm-land bank when the same is required by the preceding paragraph to be paid, the directors of such bank may sell the stock of such delinquent shareholder at public auction, having given three weeks' previous notice thereof in a newspaper of general circulation published in the county where the bank is located (or if no newspaper is published in said county, then in a newspaper published nearest thereto) to any person who will pay the highest price therefor, to be not less than the amount due thereon with the expenses of advertisement and sale; and the excess, if any, shall be paid to the delinquent shareholder. If no bidder can be found who will pay for such stock, the amount due thereon to the local national farm-land bank and the cost of advertisement and sale, the amount previously paid shall be forfeited to the said bank, and such stock shall be sold, as the directors may order, within six months from the time of such forfeiture, and if not sold it shall be canceled and deducted from the capital stock of the said bank. If any such cancellation and reduction shall reduce the capital of the local national farm-land bank below the minimum of the capital required by law, the capital stock shall, within 30 days from the date of such cancellation, be increased to the required amount, in default of which a receiver may be appointed, according to the provisions of section 5234 of the Revised Statutes, so far as it may be applied hereto, to close up the business of such bank.

"Ninth. Any bank formed under this act may, by its articles of association, provide for an increase of its capital from time to time as may be deemed expedient, subject to the limitations of this act. But the maximum of such increase to be provided in the articles of association shall be approved by the director of farm-land banking; and no increase of capital shall be valid until the total amount of such increase is paid in, and until notice thereof has been transmitted to the director of farm-land banking; who shall thereupon issue to such bank his certificate, specifying the amount of such increase of capital stock, with his approval thereof, and after it has been duly paid in it shall be treated as part of the capital stock of such association.

"Tenth. Any local or State national farm-land bank under this act, may, by the vote of shareholders owning two-thirds of its capital stock, reduce its capital to any sum not below the amount required by this act to authorize the formation of such bank; but no such reduction shall be allowed which would reduce the capital and surplus of such bank below the proportion which such capital and surplus is required hereunder to bear to the mortgages or deeds of trust, or notes, or bonds secured thereunder, guaranteed by such bank, in accordance with the provisions herein contained. Nor shall any such reduction be made until the amount of the proposed reduction has been reported to and approved by the director of farm-land banking.

"Eleventh. The affairs of each local and State national farm-land bank shall be managed by not less than five nor more than nine directors. All directors shall be elected by the shareholders at a meeting to be held at any time before the association is authorized by the director of farm-land banking to commence business and afterwards at meetings to be held on any such date in January of each year as is specified therefor in the articles of association. The directors shall hold office for one year and until their successors are elected and qualified.

"Every director of every national farm-land bank must, during his whole term of service, be a citizen of the United States. All the directors of every State national farm-land bank must reside in the State or Territory in which the bank is located for at least one year immediately preceding their election and must be a resident therein during their continuance in office. Every director of a local national farm-land bank must reside in the county or other political subdivision in which the bank is authorized to do business for at least one year immediately preceding their election and must be a resident therein during their continuance in office. Every director of a local national farm-land bank must own, in his own right, at least two shares of the capital stock of the local national farm-land bank of which he is a director. Any director of a local national farm-land bank who ceases to be the owner of two shares of stock, and any director of any farm-land bank who becomes in any other manner disqualified, shall thereby vacate his place.

"Any vacancy in the board shall be filled by appointment by the remaining directors, and any director so appointed shall hold his place until the next election.

"If, from any cause, an election of directors is not made at the time appointed, the bank shall not for that cause be dissolved, but an election may be held on any subsequent day, 30 days' notice thereof in all cases having been given in a newspaper published in the city, town, or county in which the bank is located; and if no newspaper is published in such city, town, or county, such notice shall be published in a newspaper published nearest thereto. If the articles of association do not fix the day on which the election shall be held, or if no election is held on the day fixed, the day for the election shall be designated by the board of directors in their by-laws, or otherwise; or if the directors fail to fix the day, shareholders, representing two-thirds of the shares may do so.

"Twelfth. One of the directors shall be the president of the board. One or more vice presidents shall likewise be chosen.

"Thirteenth. The shareholders of every local national farm-land bank shall be held individually responsible, equally and ratably, and not one for another, for all contracts, debts, and engagements of such bank, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares.

"Fourteenth. Persons holding stock as executors, administrators, guardians, or trustees, shall not be personally subject to any liabilities as stockholders; but the estates and funds in their hands shall be liable in like manner and to the same extent as the testator, intestate, ward, or person interested in such trust funds would be, if living and competent to act and hold the stock in his own name.

"INCORPORATION OF LOCAL NATIONAL FARM-LAND BANKS.

"Sec. 10. That the local associations for carrying on the business of farm-land banking under this act may be formed by any number of natural persons, not less in any case than 10. They shall enter into articles of association, which shall specify in general terms the object for which the association was formed, and may contain any other provisions not inconsistent with law which the association may see fit to adopt for the regulation of its business and the conduct of its affairs. These articles shall be signed by the persons uniting to form the association, and a copy of them shall be forwarded to the director of farm-land banking, to be filed and preserved in his office.

"Sec. 11. That the persons uniting to form such a local national farm-land bank shall, under their hands, make an organization certificate, which shall specifically state—

"First. The name assumed by such association. The words 'National farm-land bank' shall be a part of the title of every local and State national farm-land bank, and these words shall not be used by any institution other than those incorporated under this act. In the case of local institutions these words shall be prefixed by such descriptive title or name as the applicants may indicate, and shall be followed by the name of the county and State in which the said local bank is to operate. Each said local national farm-land bank shall be designated by an official number, provided by the director of farm-land banking.

"Second. That State or county (or other political subdivision) in which the operations of such local national farm-land bank are to be carried on, and the place in said county or other political subdivision where its principal office is to be located, which place may be changed from time to time upon the request of such local national farm-land bank with the approval of the director of farm-land banking.

"Third. The amount of capital stock and the number of shares into which the same is to be divided: *Provided*, That such capital stock shall in no case be less than \$10,000: *Provided further*, That such capital stock may be increased or decreased from time to time, as elsewhere herein provided, subject to the approval of the director of farm-land banking; but at no time to be less than the minimum herein set forth.

"Fourth. The names and places of residence of the shareholders and the number of shares held by each.

"Fifth. The fact that the certificate is made to enable such persons to avail themselves of the advantages of this act.

"Sec. 12. That the organization certificate shall be acknowledged before a judge of some court of record or before a notary public, and shall be, together with the acknowledgment thereto, authenticated by the seal of such court or notary public, transmitted to the director of farm-land banking, who shall record and carefully preserve the same in his office.

"Sec. 13. That upon duly making and filing the articles of association as above described and an organization certificate the local association or local national farm-land bank shall become as from the date of the execution of its organization certificate a body corporate, and as such and in the name designated in the organization certificate shall have power—

"First. To accept and pay interest on postal savings deposits and other time deposits from the National Government; and the provisions of section 15 of the Federal reserve act, so far as they are in conflict with this provision, are hereby repealed; to accept and pay interest on any State time deposits or time deposits of public funds; to accept and pay interest on time deposits from individuals or corporations.

"Second. To guarantee the payment, both as to principal and interest, of loans made upon farm land located within the county or other political subdivision in which such local national farm-land bank is operated: *Provided*—

"(a) That such loans are made for not less than five years.

"(b) That such loans are secured by a first mortgage or first deed of trust on farm lands located within such county or are used to retire existing mortgages or deeds of trust, so as to make them a first lien on such farm lands. But this shall not prohibit the local national farm-land bank from accepting a mortgage or deed of trust on lands lying outside of the county or political subdivision where it is operated as additional security for any such long-term loan made by it, nor shall it prevent such local national farm-land bank from guaranteeing loans secured by first mortgages or first deeds of trust on land lying partly in the county in which it is operated and partly in another county.

"(c) That such loans do not exceed 50 per cent in amount in the case of productive farm lands, and do not exceed 40 per cent in amount in other cases, of the value of the said lands, to be determined by an appraiser, as provided in this act.

"(d) That every such long-term farm loan contain a mandatory provision for the amortization of such loan or reduction of the same by annual or semiannual payments on amount of principal.

"(e) That every such loan may be paid off in whole or in part by the borrower, upon reasonable notice, in accordance with rules to be prescribed by the division of farm-land banking, at any interest period after such loan has continued for five years, by the payment of the balance due on such loan as of the date of such payment, after crediting the amortization payments on the same as and when they were made.

"Third. To sell and dispose of, and to buy back and trade in mortgages or deeds of trust, or notes or bonds secured thereunder, so guaranteed by it.

"Fourth. To invest its deposits in loans upon farm lands maturing within five years: *Provided*, That such loans comply with all the requirements outlined in subdivisions (b) and (c) under '2' next above. To guarantee such short-term loans running for less than five years, both as to principal and interest; and to sell, buy, and trade in the same.

"Fifth. To use its capital stock, surplus, and deposits as a revolving fund for the temporary purchase or holding of long-term first mortgage or first deed of trust farm loans, running for five years or more, under '2' above; or for the temporary purchase or holding of short-term first deed of trust farm loans under '3' above; or to use the same for the purpose of buying in and holding temporarily national land-bank bonds of the United States farm-land bank issued against first mortgage or first deed of trust long-term farm loans, guaranteed, first, by local national farm-land bank and then by a State national farm-land bank, as elsewhere herein specified: *Provided*, That such capital and surplus shall not be permanently invested in such first mortgage or first deed of trust long-term farm loans running for five years or more; or in such first mortgage or first deed of trust farm loans running for less than five years; or in such national land-bank bonds of the United States farm-land bank; but can only be permanently invested in United States Government bonds, in bonds of the State in which such bank is operated, or in such other securities as may be provided by the division of farm-land banking.

"Sixth. To buy and sell gold and silver coin and bullion; to collect notes, drafts, and bills of exchange; to keep reciprocal accounts with other banks; to keep its reserves, either in cash or as a deposit, with its State national farm-land bank or with the United States farm-land bank; to borrow money on its notes or obligations, or to rediscount short-term farm loans held by it with other banks; and to keep on

deposit for the accommodation of its borrowers the money derived from the sale of long-term or short-term farm loans, until the said money is used. Such sums may be held by the local national farm-land bank on a check account for the benefit of the borrower until the same is fully drawn out; but in such case the balance due to the borrower shall be kept by the local national farm-land bank in cash or in the shape of a deposit or balance in the State national farm-land bank or with the United States farm-land bank.

" SPECIFIC LIMITATION.

" SEC. 14. That every local national farm-land bank shall be subject to the following specific limitations:

" First. The amount in long-term mortgages or deeds of trust, or notes or bonds secured thereunder, running for five years or more under terms of section 13, No. 2, above, that can be guaranteed as to principal and interest at any one time by such local national farm-land bank shall not exceed 15 times its capital and accumulated surplus, nor shall the amount of short-term loans guaranteed by it under section 13, No. 4, exceed 5 times its capital and accumulated surplus.

" Second. The capital stock and surplus of each local national farm-land bank shall be primarily liable to secure and make good its indorsement or guaranty upon the long-term farm loans, evidenced by mortgage or deed of trust, or notes or bonds secured thereunder, running for five years or more, guaranteed by it under this act, and shall be then liable to secure and make good its guaranty upon short-term loans under this act, and thereafter shall be held liable for its deposits on other obligations.

" Third. The charges of administration imposed by a local national farm-land bank upon the borrower for handling long-term real estate loans, running for five years or more, as above described, shall not exceed an annual charge of 1 per cent upon the amount unpaid on the loan, as evidenced by the first mortgage or first deed of trust, and the notes or bonds secured thereby, executed by the borrower. All of such administrative charge may be retained by the local bank if such guaranteed loan is then sold. But if forwarded to a State bank to be guaranteed, then of such 1 per cent one-half shall be retained by the local national farm-land bank as its administrative charge and as payment for its guaranty of such loan. One-fourth shall go to the State national farm-land bank as payment for its administrative charge and its guaranty and one-fourth shall go to the United States farm-land bank for its administrative charge and its guaranty or services in selling national land-bank bonds against such loan.

" Fourth. The payments provided to be made annually or semiannually by the borrowers upon long-term farm-land loans, secured by first mortgage or first deed of trust and guaranteed by local national farm-land bank, shall in all cases be sufficient to pay the interest charge upon the loan, the administrative charge, and an amortization payment, to be paid annually or semiannually, sufficient in amount to retire and pay off the amount of the principal borrowed (as evidenced by the face of said first mortgage or first deed of trust and the notes or bonds secured thereunder) at its maturity.

" Fifth. The dividends to be paid to the stockholders of any local national farm-land bank shall in no case exceed 6 per cent per annum on the amount originally invested, although such dividends may be, at the option of the bank, paid in equal semiannual, quarterly, or monthly installments, and shall be cumulative. Surplus earnings of such bank, after the payment of dividends, shall be used to create an earned surplus until such earned surplus shall equal double the amount of paid-in capital. When such earned surplus has equaled this amount, then the capital stock of the local national farm-land bank shall be bought in at par from the holders thereof, and thereupon such stock shall be canceled and retired, and the said local national farm-land bank shall thereupon become a mutual bank, its earnings to be distributed among its depositors and borrowers in proportion to the amount of business transacted with such bank; all under such rules and regulations as the division of farm-land banking may provide: *Provided*, That no such use of the surplus of said local national farm-land bank to buy in and retire its capital stock shall be made which will reduce the capital and surplus to less than one-fifteenth of the amount of outstanding long-term farm loans and one-fifth of the amount of outstanding short-term farm loans guaranteed by the said bank: *And provided*, That no dividends shall be paid which will impair the capital stock of said institution, or which will reduce the capital and surplus of the bank to less than one-fifteenth of the outstanding long-term mortgages or deeds of trust, or notes or bonds secured thereunder, and one-fifth of the amount of outstanding short-term farm loans guaranteed by the said bank.

" APPRAISEMENT COMMITTEE OF LOCAL NATIONAL FARM-LAND BANK.

" SEC. 15. That the board of directors of each local national farm-land bank shall immediately, upon its organization and before making any loans upon farm lands, appoint an appraisement committee, which shall be composed of not less than three members of the board of directors. The names of said appraisement committee shall be at once filed with the director of farm-land banking, and any change in the said committee shall be at once communicated to him. The duty of said committee shall be to appraise, or cause to be appraised, and report on the value of real estate offered as security for loans. All the reports of the appraisement committee shall be made in writing, signed by a majority of the committee, and shall give a description of the property, the value at which it is appraised by them, the value at which it is assessed for taxation, and such other information as may be required by the directors of the bank or by the director of farm-land banking. Such report shall be filed and preserved with other papers relating to such loans; and no loan shall be made on any farm land unless and until such report in writing has been filed with the said bank.

" DESTRUCTIBLE PROPERTY TO BE INSURED.

" SEC. 16. That wherever the value of the building or destructible property attached to the land is a part of the security for any loan, such buildings or destructible property shall be properly insured against loss by fire, and policies representing such insurance shall be deposited along with the mortgages under the joint control of the said bank and the Federal fiduciary agent. In such case, provisions shall be made in the mortgages or deeds of trust for the payment by the borrower of an amount sufficient to pay the premiums on such insurance policies, in addition to the interest, amortization, and administration charges to be paid by him as herein set out. In appraising property for long-term loans, the buildings and destructible property shall not be valued at more than 20 per cent of the total appraisement.

" SEC. 17. That no local national farm-land bank shall be authorized to operate any branches.

" CONVERSION OF EXISTING LAND-MORTGAGE COMPANIES AND OTHER STATE INSTITUTIONS INTO LOCAL NATIONAL FARM-LAND BANKS.

" SEC. 18. That any land-mortgage association or corporation, or any similar institution or bank now incorporated under the general or special laws of any State, may become a local national farm-land bank under this act, under a suitable name, upon complying with the provisions of this act, and in such case the articles of association and the organization certificate may be executed by a majority of the stockholders of the existing institution, and the certificate shall declare that the owners of two-thirds of the capital stock of the old institution have authorized the directors to make such certificate and to change and convert the institution into a local national farm-land bank. The majority of the directors, after executing the articles of association and organization certificate, shall have power to execute all other papers and to do whatever may be required to make its organization perfect and complete as a local national farm-land bank. The directors of the old company may continue to be the directors of the local national farm-land bank until others are elected or appointed in accordance with the provisions of this chapter. When the director of farm-land banking has given to such association a certificate under his hand and official seal (after the provisions of this act have been complied with), and after it is authorized to commence the business of farm-land banking, the bank shall have the same powers and privileges and shall be subject to the same duties, responsibilities, and rules in all respects as are prescribed for other banks originally organized as local national farm-land banks and shall be held and regarded as such a local national farm-land bank; but no such bank shall have a less capital than the amount prescribed for local national farm-land banks organized under this act, and no such corporation shall be authorized to do business as a local national farm-land bank until the amount of mortgages or deeds of trust, or notes or bonds secured thereunder, guaranteed by it is so adjusted that it does not exceed 20 times the capital and surplus of the said bank and until it complies in all other respects with the provisions of this act.

" POSTAL SAVINGS DEPOSITS IN LOCAL NATIONAL FARM-LAND BANKS.

" SEC. 19. That every local national farm-land bank is authorized to receive postal-savings deposits under the postal-savings act as it now exists or as it may hereafter be changed, and to deposit as security for the same the collateral trust bonds or national land-bank bonds of the United States farm-land bank issued against long-term mortgages or deeds of trust on lands in its State: *Provided*, That such long-term mortgages or deeds of trust and the notes or bonds secured thereunder, so held by the United States farm-land bank as security for such national land-bank bonds, are guaranteed, both as to principal and interest by both the local national farm-land bank and the State national farm-land bank. In such case the said local national farm-land bank is authorized, out of any funds available, to buy such national land-bank bonds of the United States farm-land bank at the market price, for the purpose of depositing them with the Government as security for such postal-savings deposits. And such national land-bank bonds of the United States farm-land bank will be thereupon received as security for such postal savings deposits with the local national farm-land bank on the terms and conditions elsewhere herein provided. The provisions of section 15 of the Federal reserve act and of section 9 of the postal savings act, so far as in conflict herewith, are hereby repealed.

" RESERVES OF LOCAL NATIONAL FARM-LAND BANKS.

" SEC. 20. That on all time deposits the local national farm-land bank shall maintain a reserve of at least 5 per cent. On check deposits or balances subject to check, left with it by borrowers, pending the use of the money borrowed, the local national farm-land bank shall maintain a reserve of 100 per cent. On other demand deposits it shall maintain a reserve of 15 per cent. Such reserves may be held, either in cash in its own vaults, or in the shape of balances with its State national farm-land bank or with the United States farm-land bank: *Provided*, That at all times at least 2 per cent of its time deposits and 10 per cent of its check deposits are held in cash in its own vault. No deposit or balance held by one local national farm-land bank on another local national farm-land bank shall be counted as a part of its reserve.

" PURCHASE BY LOCAL BANKS OF STOCK IN THE STATE NATIONAL FARM-LAND BANK AND IN THE UNITED STATES FARM-LAND BANK.

" SEC. 21. That immediately upon its organization each local national farm-land bank shall purchase and pay for capital stock in the United States farm-land bank to the extent of 10 per cent of the capital and surplus of such local national farm-land bank, and upon the incorporation of a State national farm-land bank under the terms of this act each local national farm-land bank in such State shall purchase and pay for an amount of the capital stock of such State national farm-land bank to the extent of 20 per cent of the capital and surplus of such local national farm-land bank. The division of farm-land banking, by suitable rules and regulations, shall provide for the increase or decrease of the holdings of each local national farm-land bank in stock of the United States farm-land bank and in stock of the State national farm-land bank, so that at all times each local national farm-land bank shall have invested 10 per cent of its capital and surplus in stock of the United States farm-land bank and 20 per cent of its capital and surplus in stock of its State national farm-land bank. The stocks of both the State national farm-land bank and of the United States farm-land bank shall at all times be carried on the books of such local national farm-land bank at their then book value, as shown by the report made by the State national farm-land bank and the United States farm-land bank under this act. Any such stock so held by the local national farm-land bank shall not be sold, traded in, collateralized, or disposed of, but shall be held by it as a permanent investment.

" STATE NATIONAL FARM-LAND BANKS, WHEN AND HOW ORGANIZED.

" SEC. 22. That as soon as 30 or more local national farm-land banks have been organized in any State of the Union the director of farm-land banking shall issue to each local national farm-land bank operating in said State notice of a meeting to be held at some convenient point in said State for the organization of a State national farm-land bank. Thereupon each of the said local national farm-land banks shall, by vote of its directors and under its seal, appoint one of its directors to attend such meeting with full authority to represent it in organizing such State national farm-land bank. Such organization meeting shall be held under the direction of the director of farm-land banking and shall be attended by him or by his representative. As soon thereafter as may be the State national farm-land bank shall be organized and put in operation under the supervision and according to the direction of the division of farm-land banking.

"INCORPORATION OF STATE NATIONAL FARM-LAND BANKS.

"SEC. 23. That a State association for carrying on the business of farm-land banking under this act may be formed by any number of local national farm-land banks organized under this act as above provided, not less than 30, through their representatives authorized as above set out; and such local national farm-land banks shall enter into articles of association which shall specify in general terms the object for which the association was formed and may contain any other provisions not inconsistent with law which the association may see fit to adopt for the regulation of its business and the conduct of its affairs. These articles shall be signed by the representatives of at least 10 local national farm-land banks, and a copy of them shall be forwarded to the director of farm-land banking, to be filed and preserved in his office.

"The representatives of the local national farm-land banks so uniting to form such a State national farm-land bank shall, under their hands, make an organization certificate, which shall specifically state—

"First. The name assumed by such association. The words 'national farm-land bank' shall be a part of the title of every such State institution, and these words shall not be used by any institution other than those incorporated under this act. These words shall be prefixed by the name of the State in which such bank is operated.

"Second. The State in which the operations of such State national farm-land banks are to be carried on, and the place in the State where its principal office is to be located, which place may be changed from time to time upon the request of such State national farm-land bank, with the approval of the director of farm-land banking.

"Third. The amount of capital stock to be issued at the time of its organization and the number of shares into which the same is to be divided: *Provided*, That such capital stock shall in no case be less than \$60,000 at the time of organization: *Provided further*, That such capital stock may be increased or decreased from time to time as new local national farm-land banks are formed in such State and become stockholders of said State national farm-land banks; or as the capital stock or surplus of the local national farm-land banks in such States increase or decrease; or as such local national farm-land banks retire from business or are wound up. But every increase or decrease of such stock of the State national farm-land bank shall be subject to the approval of the director of farm-land banking, and at no time shall the capital be less than a minimum of \$60,000, nor shall the capital and surplus be less than one one-hundredth of the aggregate value of the mortgages or deeds of trust, or notes or bonds secured thereunder, guaranteed by the State national farm-land bank, as herein set forth.

"Fourth. The names and principal offices of the share-holding local national farm-land banks and the number of shares held by each of them.

"Fifth. The fact that the certificate is made to enable such local national farm-land banks to avail themselves of the advantages of this act.

"HOW ACKNOWLEDGED AND PRESERVED.

"SEC. 24. That the organization certificate shall be acknowledged before a judge of some court of record or before a notary public, and shall be, together with the acknowledgment thereto, authenticated by the seal of such court or notary public, transmitted to the director of farm-land banking, who shall record and carefully preserve the same in his office.

"SPECIFIC POWERS OF STATE NATIONAL FARM-LAND BANKS.

"SEC. 25. That every State national farm-land bank shall have the following specific powers:

"First. To act as clearing house for the local national farm-land banks in such State; to accept deposits from such local national farm-land banks in said State, and to act as reserve agent for them; to pay interest upon such deposits made by local national farm-land banks or upon such reserves held with it: *Provided*, That the rate of interest paid on deposits or reserves shall be the same to all local national farm-land banks in such State.

"Second. To guarantee the payment, both as to principal and interest, of long-term farm-land mortgages or deeds of trust, and notes or bonds secured thereunder running for not less than five years: *Provided*, That such loans are made in conformity with the provisions of section 13, paragraph 2, above, and are first guaranteed as to principal and interest by the local national farm-land bank which originally took such loan: *Provided further*, That the amortization or principal payments on such loans, so guaranteed by the said State national farm-land bank, are turned over to it by the local national farm-land bank as the same are collected, to be by it in turn delivered to the United States farm-land bank, which shall use such amortization payments to buy in and retire its national land-bank bonds issued against such farm loans so guaranteed by the local and State national farm-land banks, so as to prevent the amount of outstanding national land-bank bonds being in excess of the mortgages or deeds of trust, or notes or bonds secured thereunder, held by the said United States farm-land bank as security for such national land-bank bonds.

"Third. To rediscount short-term farm loans, secured by first mortgage or first deed of trust on farms, in accordance with the provisions of this act, and running for less than five years, which may be forwarded to it by the local national farm-land banks for such rediscounting: *Provided*, That such short-term farm-mortgage loans are guaranteed by the local national farm-land bank applying for such rediscount, and do not have more than two years to run before their maturity: *Provided further*, That such short-term farm-mortgage loans in other respects comply with the requirements and conditions elsewhere set out in this act. But the rate of rediscount shall be the same to all the local national farm-land banks in the said State at any given time. And the said State national farm-land bank, upon rediscounting of such short-term farm-mortgage loans, shall have the right to hold the same as an investment or to sell the same, either with or without its indorsement, and may thereafter buy back or trade in and afterwards resell any such short-term farm-mortgage loans which are guaranteed by it and which have been so sold.

"Fourth. To use its capital stock, surplus, and deposits as a revolving fund for the temporary purchase or holding of long-term farm-mortgage loans which have been first guaranteed by a local national farm-land bank as hereinbefore provided; or for the temporary purchase of short-term farm-mortgage loans running for less than five years, and issued and guaranteed in accordance with the provisions of this act, so as to maintain the price of the same; or in buying in the national land-bank bonds of the United States Farm-Land Bank issued against the first mortgage or first deeds of trust, and the notes or bonds secured thereunder which have been guaranteed by a local national farm-land bank and by a State national farm-land bank in order to maintain the price of the same. Such capital and surplus shall not be permanently invested in anything except in United States bonds or in bonds of the

State in which such State national farm-land bank is operating, or in such other bonds or securities as may be approved by the division of farm-land banking.

"Fifth. To buy and sell gold coin, silver coin, and bullion; to collect notes, drafts, and bills of exchange; to keep reciprocal accounts with other banks; to rediscount or sell the short-term paper held by it for other banks, either with or without its indorsement; to buy back and trade in any paper containing its indorsement; to act as broker, and to charge a commission therefor, in selling short-term farm loans guaranteed by a local national farm-land bank as above set out.

"SPECIFIC LIMITATIONS ON STATE NATIONAL FARM-LAND BANKS.

"SEC. 26. That every State national farm-land bank shall be subject to the following specific limitations:

"First. The amount of long-term loans evidenced by first mortgage or first deed of trust on farm lands, or notes or bonds secured thereunder, which may be guaranteed as to principal and interest by such State national farm-land bank after having been guaranteed by the local national farm-land bank, as herein elsewhere provided, shall not at any one time exceed 100 times the capital and accumulated surplus of such State national farm-land bank, and no such long-term loan shall be guaranteed by such State national farm-land bank unless and until it complies in all respects with the provisions of this act and unless and until it has first been guaranteed as to principal and interest by the local national farm-land bank making such loan.

"Second. The administration charge of such State national farm-land bank for so guaranteeing the payment as to both principal and interest of such long-term farm loans, which have been first guaranteed by the local national farm-land bank, shall in no case exceed an annual charge of one-fourth of 1 per cent of the amount unpaid on the loan so guaranteed, as evidenced by the first mortgage or first deed of trust, or the notes or bonds secured thereunder, executed by the borrower.

"Third. The commissions and charges of the State national farm-land banks for acting as broker in the sale of short-term farm loans, and the rates of rediscount charged by it to the local national farm-land banks for rediscounting such short-term farm loans, shall be in all respects subject to the supervision and control of the division of farm-land banking.

"Fourth. The amount of short-term first mortgage loans which may be at any one time guaranteed by a State national farm-land bank, after being first guaranteed by a local national farm-land bank as to both principal and interest, shall not exceed five times the capital and surplus of such State national farm-land bank.

"PURCHASE OF STOCK IN UNITED STATES FARM-LAND BANK BY EACH STATE NATIONAL FARM-LAND BANK.

"SEC. 27. That immediately upon its organization each State national farm-land bank shall purchase and pay for stock of the United States farm-land bank in an amount equal to 10 per cent of the capital and surplus of such State national farm-land bank, and shall at all times maintain its holdings of stock in such United States farm-land bank at 10 per cent of the capital and surplus of such State national farm-land bank, under suitable regulations provided by the division of farm-land banking, as elsewhere set out herein.

"ELECTION OF DIRECTORS IN STATE NATIONAL FARM-LAND BANK.

"SEC. 28. That the directors of the State national farm-land bank shall be elected by the representatives of the local national farm-land banks owning the stock in such State national farm-land bank at least once in each year. In all meetings of stockholders of the State national farm-land banks, whether for the election of directors or for other purposes, each stockholding local national farm-land bank shall have one vote irrespective of the amount of stock held by it in such State national farm-land bank. The stockholding banks shall also elect a president and two vice presidents for the State national farm-land bank, who shall be members of the board of directors. No officer or director of a State national farm-land bank shall, during his term of office as such, be an officer, director, or stockholder in any local national farm-land bank in that State, nor shall he receive any salary or emolument of any kind from any local national farm-land bank in that State. The officers of the State national farm-land banks shall be required to give such bond and meet such other requirements as the directors of such bank or as the division of farm-land banking may prescribe.

"RESERVES OF STATE NATIONAL FARM-LAND BANKS.

"SEC. 29. That each State national farm-land bank shall at all times maintain a reserve in lawful money of at least 20 per cent of its check deposits or balances due local national farm-land banks, plus at least 6 per cent of its time deposits. Of such reserve, 6 per cent of its check deposits, plus 3 per cent of its time deposits, shall be maintained in cash in its own vaults. The balance of such reserves may be represented by balances deposited with the United States farm-land bank, or with Federal reserve banks, or with such other National or State banks as the division of farm-land banking may approve.

"BRANCH BANKS OF STATE NATIONAL FARM-LAND BANKS.

"SEC. 30. That subject to the approval of the division of farm-land banking, a State national farm-land bank shall have the power to establish branches in the State, for the proper conduct of its business. It shall also have the power to maintain such reciprocal accounts, and enter into such arrangements with the State national farm-land banks in other States, or with other National or State banks as may be necessary for the proper conduct of its business, and as may be approved by the division of farm-land banking.

"ORGANIZATION OF UNITED STATES FARM-LAND BANK.

"SEC. 31. That there is hereby incorporated the United States farm-land bank, with an authorized capital of not less than \$1,000,000 and with the right of indefinite increase. The principal place of business of said bank shall be at Washington, D. C. Its charter rights and privileges shall continue for a term of 50 years, with the right of renewal by Congress, subject to amendment or repeal by Congress during that time: *Provided*, That the rights of creditors of such institution shall not be changed or affected by any such amendment, repeal, or change.

"SPECIFIC POWERS OF UNITED STATES FARM-LAND BANK.

"SEC. 32. That the United States Farm-Land Bank shall have the following specific powers:

"First. To act as a clearing house and reserve agent for State national farm-land banks and for local national farm-land banks; to receive deposits from the same; to receive postal savings and governmental deposits; to rediscount for the same; to pay interest on balances left with it by such State or local national farm-land banks: *Provided*, That the same rate of interest shall be paid on all such balances irrespective of the amount.

"Second. To buy and sell gold and silver coin and bullion; to collect notes, drafts, and bills of exchange; to discount short-term farm loans for local national farm-land banks: *Provided*, That the same have first been indorsed or guaranteed by State national farm-land banks: *Provided further*, That the same are maturing within two years. To keep reciprocal accounts with other banks; to rediscount its paper with such other banks. To buy and sell and otherwise trade in short-term mortgage loans or paper guaranteed or indorsed by it. To buy and sell Government bonds and State bonds; and to act as broker in the sale of Government, State, county, municipal, and other similar securities, and to charge a commission therefor.

"Third. To issue, sell, and trade in its own collateral trust bonds or national land-bank bonds: *Provided*, (a) That no national land-bank bonds shall be issued by the United States Farm-Land Bank against any mortgages or deeds of trust, or notes or bonds secured thereunder, unless and until such mortgages or deeds of trust, or notes or bonds secured thereunder, have been guaranteed as to both principal and interest by the local national farm-land bank where the land against which the same were issued is located, and by the State national farm-land bank of the State in which such land is located.

"(b) That the mortgages or deeds of trust and bonds or notes secured thereunder so used as the basis for the issue of national land-bank bonds by the United States Farm-Land Bank shall in all respects comply with the conditions and provisions of this act.

"(c) That all national land-bank bonds or debentures issued by said bank shall be subject to call at par, at any interest period after the date of issue or after a specified time not longer than five years from date of issue (as may be provided in the same) by such proper notice and advertisement as may be provided for by the Division of Farm-Land Banking.

"(d) That such national land-bank bonds so issued by the United States farm-land bank shall be always protected by the deposit as security therefor of at least an equal amount in face value of first mortgage or first deed of trust farm loans and notes or bonds secured thereby, maturing not less than five years after that date.

"(e) That the amortization and other principal payments upon the mortgages or deeds of trust or notes or bonds secured thereunder so deposited as security for the national land-bank bonds or debentures issued by the United States farm-land bank shall be forwarded to the said United States farm-land bank as the same are made, held in the joint possession of it and of the Federal fiduciary agent and used in paying for its own national land-bank bonds issued and sold by it against the said mortgages or deeds of trust or notes or bonds secured thereunder, so that the amount of national land-bank bonds issued by it and outstanding shall not exceed at any one time the amount of mortgages or deeds of trust or notes or bonds secured thereunder held as security for such national land-bank bonds.

"(f) That as the amortization payments are credited upon the first mortgages or first deeds of trust farm loans so deposited as security, the national land-bank bonds issued by the United States farm-land bank and secured thereby shall be called and paid, or purchased in the open market and retired, to the extent of the credits made upon such first mortgage or first deed of trust farm loans held as security for the same, under rules and regulations made by the division of farm-land banking.

"(g) That the first mortgage or first deed of trust farm loans, and notes and bonds secured thereby, held as security for such national land-bank bonds or of the United States farm-land bank, shall at all times, while said national land-bank bonds are outstanding, be in the joint possession and under the joint control of the said United States farm-land bank and of the Federal fiduciary agent for said bank hereinafter provided for.

"(h) That the national land-bank bonds issued by the United States farm-land bank shall be issued in series, in such amounts and at such rate of interest, and on such terms and conditions as the said bank may decide to be advisable, subject to the terms and provisions of this act. In no case shall a series of national land-bank bonds be issued by the United States farm-land bank which are secured by mortgages or deeds of trust, or notes or bonds secured thereunder, in more than one State.

"(i) That no national land-bank bond shall be issued against any mortgage or deed of trust, or notes or bonds secured thereunder, which falls due earlier than five years after its date.

"Fourth. To use its capital stock, surplus, and deposits as a revolving fund for the temporary purchase or holding of first mortgages or first deeds of trust farm loans, and the notes or bonds secured thereunder, guaranteed by local and State national farm-land bank, until its national land-bank bonds can be issued and sold against the same, or to use its said capital stock and surplus for the purpose of buying in, or trading in its national land-bank bonds, and holding them temporarily, so as to maintain the price of the same; or to use its capital and surplus and its deposits for rediscounting short-term farm mortgage loans, maturing at no longer than two years, as hereinbefore set out, and guaranteed by local and State national farm-land bank: *Provided*, That such capital and surplus shall not be permanently invested in its own national land-bank bonds or in first mortgage or first deed of trust farm-land loans guaranteed by State and local national farm-land bank, whether the same be short-term loans or long-term loans. But such capital and surplus may only be permanently invested in United States Government securities.

"Fifth. To act as depository for the National Government for any funds that may hereafter be deposited with it, and particularly of any funds that may be deposited with it by the postal savings trustees under the postal savings act as the same now exists or as it may hereafter be changed; and all parts of section 15 of the Federal reserve act and of section 9 of the postal savings act in conflict herewith are hereby repealed, to pay interest on such deposits and to invest the same, or such portions of the same as it may by law be authorized to invest, in Government, State, county, and municipal bonds, or in long-term first-mortgage farm bonds.

"Sixth. To rediscount for national banking associations farm loans held by them under the provisions of the Federal reserve act, and to rediscount with such national banking association short-term real estate loans held by it, maturing at not more than five years, and otherwise complying with the provisions of section 24 of said Federal reserve act. Such rediscount by any national banking association shall be considered and treated as a farm loan as authorized under section 24 of said Federal reserve act.

RESERVES OF UNITED STATES FARM-LAND BANK.

"SEC. 33. That the United States farm-land bank shall, at all times, keep a reserve of not less than 20 per cent of the check or demand deposits; of not less than 10 per cent of its time deposits. Such reserves must be kept, at least one-half in its own vaults, and the bal-

ance may be represented by deposits in the Federal reserve banks or in such national or State banks as the division of farm-land banking may approve.

"MANAGEMENT AND CONTROL OF UNITED STATES FARM-LAND BANK.

"SEC. 34. That the management and control of the United States farm-land bank shall be vested in a board of governors consisting of nine members. Of these, four shall be appointed by the President, by and with the advice and consent of the Senate, to serve for life or during good behavior, and any vacancy occurring among these four shall be filled by the President in like manner. The remaining five shall be selected by vote of the stock-holding banks to serve—one for four years, two for six years, and two for eight years. Thereafter these vacancies shall be filled by the vote of the stock-holding banks as they occur, and the party elected shall serve for eight years. In voting for these directors each State national farm-land bank shall, through its duly accredited representatives, be entitled to cast as many votes as there are local national farm-land banks in that State, and each local national farm-land bank shall have the right to instruct the State national farm-land bank how its vote shall be cast. The methods of conducting such elections, subject to the foregoing requirements, shall be as provided by the division of farm-land banking.

"From the nine directors so appointed the stock-holding banks shall select two out of the five selected by them, and one of the four named by the President. Of these three so elected, the President shall name one as president and two as vice presidents of the United States farm-land bank of the United States of America, and a new election for president and two vice presidents shall be held every eight years. In case of a vacancy by death or resignation the unexpired term shall be filled by the board of governors itself from among their number.

"Each member of the board of governors shall receive a salary of \$10,000 per year, except that each vice president shall receive \$12,000 per year and the president \$15,000 per year, all payable in equal monthly installments. The members of the board of governors shall devote their entire time and attention to the affairs of the bank, and shall not be interested financially in the stock of any local national farm-land bank during their term of office. Each of said members shall be required to give a bond for the faithful discharge of his duties in the sum of \$100,000, to be approved by the division of farm-land banking.

"TEMPORARY ORGANIZATION.

"SEC. 35. That the permanent organization of the United States farm-land bank, as above outlined, shall not be perfected until at least 12 State national farm-land banks have been organized under this act. Pending the organization of such 12 State national farm-land banks there shall be a temporary organization of such United States farm-land bank with nine directors, and with a president and two vice presidents selected by the national farm-land banking board, at such salaries as it may approve. Such temporary organization shall continue until at least 12 State national farm-land banks have been organized, when the permanent organization shall be carried into effect.

"BRANCHES OF UNITED STATES FARM-LAND BANK.

"SEC. 36. That the United States farm-land bank shall have power to create and operate such branches throughout the United States as it may deem wise and as may be approved by the division of farm-land banking, and to operate such additional branches outside of the United States as its business may require and as the board of governors may specify, subject to the approval of the division of farm-land banking. But wherever any branch is operated outside of the United States, such portion of the capital and surplus of said United States farm-land bank as may be designated by the division of farm-land banking shall be specifically set aside for such branch bank, and separate examination and reports of the condition of each of said branches shall be made under the direction of the division of farm-land banking.

"PRIVILEGES GRANTED TO NATIONAL LAND-BANK BONDS OF UNITED STATES FARM-LAND BANK.

"SEC. 37. That the national land-bank bonds or debentures of the United States farm-land bank shall be available for the following purposes:

"First. As security for the deposit of postal savings funds in any national farm-land bank. The provisions of section 9 of the postal savings act so far as in conflict herewith are hereby repealed.

"Second. As a legal investment for trust funds and estates under the charge of or administered by any of the courts of the United States.

"Third. As a security for loans from national banking associations to national farm-land banks for not exceeding five years to an amount aggregating not over 25 per cent of the capital stock and surplus, or to one-third of the time deposits of the national banking association making such loan. Such loans to be made and held by the national banking association making the same as being within the provisions of section 24 of the Federal reserve act, so as to permit national banking associations to lend to national farm-land banks on their obligations secured by national land-bank bonds of the United States farm-land bank, in place of making the loan directly on farm lands, as provided for in said section.

"No such national land-bank bonds of the United States farm land bank shall be available for the foregoing purposes except those issued against mortgages or deeds of trust complying with the following conditions:

"(a) That the mortgages or deeds of trust, and the bonds or obligations secured thereunder, deposited as security for the national land-bank bonds of the United States farm land bank are exempt from all State taxation or assessment, direct or indirect, which may exist in the State in which the local and State national farm land bank guaranteeing the same are operating, as elsewhere herein provided.

"(b) That laws decided to be sufficient by the division of farm land banking have been passed by the State in which the local or State national farm land bank guaranteeing such mortgage and deeds of trust are operating, withdrawing or canceling the right to claim exemption, or providing for the waiver of such exemption, whether home-stead or otherwise, against the mortgages or deeds of trust, or bonds or obligations secured thereunder, held as security for the national land-bank bonds of such United States farm land bank: *Provided*, That if the right to waive such exemption is given, then that all the mortgages or deeds of trust, and bonds or notes secured thereunder, deposited as security for such national land-bank bonds contain such waiver.

"(c) That in the opinion of the division of farm-land banking, the State laws providing for registration of land titles, conveyances, and foreclosures in any given State are such as to give reasonable protection to the holders of first mortgages and first deeds of trust on lands located within that State.

"(d) That the national land-bank bonds of the United States farm land bank, which are accepted under this law as security in the various matters above set out, shall be likewise accepted under the State laws of the State in which the local and State national farm land bank guaranteeing such mortgage and deed of trust are operated as a legal investment for the funds of savings banks operating in that State, and of trust funds and estates held by or under the control of the courts of that State, and as a legal investment for the reserves of insurance companies incorporated under or operating under the laws of that State.

"RIGHT OF BORROWER TO PAY OFF MORTGAGE.

"Sec. 38. That any borrower shall be entitled to pay off the amount of his mortgage or any portion thereof on any interest period after the first five years in cash or by presenting to the bank the national land-bank bonds of the United States farm land bank of the same series as those issued against his mortgage. To the extent of such national land-bank bonds presented and canceled at such time the borrower shall be relieved of his mortgage indebtedness, and proper credits shall be made upon his mortgage. The Federal fiduciary agent shall evidence such credit. The United States farm land bank issuing such national land-bank bonds shall also have the right at any time to buy in the open market its national land-bank bonds and to cancel the same, and thereupon to release a proportionate amount of the mortgage securing such national land-bank bonds. But in case any such national land-bank bonds of the bank are called for payment by the bank, as hereinbefore provided, then the same must be paid off by the bank at par.

"EXEMPTION OF NATIONAL LAND-BANK BONDS FROM TAXATION.

"Sec. 39. That the national land-bank bonds issued by the United States farm-land bank shall be forever exempt from the imposition of taxes, assessments, or charge. Such exemption from taxation shall be prominently stated upon the bond, so that it may be readily ascertained.

"Sec. 40. That all matters relating to the organization and operation of said national farm-land banks created under this act shall be under the direction and control of the division of farm-land banking, except as herein specified.

"APPROPRIATION FOR TEMPORARILY SUBSCRIBING STOCK OF UNITED STATES FARM-LAND BANK.

"Sec. 41. That the sum of \$1,000,000 is hereby appropriated out of any money in the Treasury not otherwise appropriated, to be invested by the division of farm-land banking in the capital stock of the United States farm-land bank. This money shall be repaid to the Treasurer of the United States, with interest at the rate of 2 per cent per annum, as and when stock in the United States farm-land bank is taken by the local national farm-land banks or the State national farm-land banks, repayment being made in amounts of not less than \$50,000 at a time.

"APPROPRIATION FOR ORGANIZATION EXPENSES.

"Sec. 42. That the sum of \$100,000, or so much thereof as may be necessary, is hereby appropriated, out of any money in the Treasury not otherwise appropriated, to be used under the direction of the farm-land banking board in organizing the United States farm-land bank, and in such expense as they may deem necessary or advisable in the organization of local and State national farm-land banks.

"PENALTIES FOR VIOLATION OF LAW.

"Sec. 43. That any officer, clerk, or agent of any national farm-land bank, or any Federal fiduciary agent herein described, who commits any offense or malfeasance such as described in sections 5208 and 5209 of the Revised Statutes of the United States and section 13 of the act approved July 12, 1882, being the law relating to national banks, shall be punished upon conviction as prescribed in the said laws relating to national banks.

"Sec. 44. That all acts and parts of acts inconsistent herewith are hereby repealed."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

Mr. HOWARD. Mr. Chairman, I would like to present just a word or two on that. I would like to have 10 minutes.

Mr. LEVER. Mr. Chairman—

The CHAIRMAN. For what purpose does the gentleman from South Carolina rise?

Mr. LEVER. I would like to ask unanimous consent that debate on this amendment and all amendments thereto close in 15 minutes, 5 minutes to be controlled by the gentleman from Georgia [Mr. HOWARD], 2 minutes by the gentleman from Texas [Mr. EAGLE], 5 minutes by the gentleman from Texas [Mr. VAUGHAN], and the balance of it by the gentleman from South Carolina, my colleague [Mr. RAGSDALE].

Mr. HOWARD. Mr. Chairman, reserving the right to object, I think the committee understand that I did not consume much time in reading my amendment. This is a question to which I have devoted a good deal of study, and is a different proposition than any of the propositions that have been submitted; and I would like to have 10 minutes in which to explain the proposition to the House. I think this would settle the whole question. We can all come together and agree on it. That is the reason I want 10 minutes, and I hope the gentleman will agree to give me that amount of time. I will make it 10 short minutes.

Mr. LEVER. The gentleman from Texas [Mr. VAUGHAN] will come in on another amendment, and the gentleman from Georgia will control 10 minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that debate on this amendment be closed in 15 minutes, to be apportioned as indicated by him. Is there objection? [After a pause.] The Chair hears none.

Mr. GOODWIN of Arkansas. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to extend his remarks in the Record. Is there objection? [After a pause.] The Chair hears none. The gentleman from Georgia [Mr. HOWARD] is recognized.

Mr. HOWARD. Mr. Chairman and gentlemen of the committee, ordinarily I would not, of course, consume any time in discussion of this proposition at this late hour, but, gentlemen, let me call your attention to one thing. I think a great many of us have forgotten that we run away entirely from what the object of the establishment of a system of rural credits was intended for. I do not believe that we are dealing with this question as we intended to deal with it when we started out. There is not any reason for establishing a system of rural credits at all if the beneficent effects of that system do not reach the waste places in this country so that the farmer who has a small amount of land can have the benefits of the system.

Now, the system that I advocate does not call for the expenditure of one single penny on the part of the Government of the United States. It is a system that puts the farmers' system on the same plane with the Federal reserve system and with the banking and commercial interests of this country. I wish to say that any system that does not start with the farmer and end with the farmer and is controlled by the farmer is not going to do the farmer any good. Now, the farmers in my section of the country have been praying for 50 years to be delivered from the skinflint banking and money lending institutions that seek to rob them. What does the Hollis bill do? It allows these banks to charge the current rates of interest in the various States.

Now we propose to give the farmer a cheap rate of interest, to wit, not in excess of 6 per cent, including the $1\frac{1}{2}$ per cent amortization for 30 years. Here you propose to give to the farmers a bill that can exact from them the current rate of interest within the State where the land is located.

Under that proposition, in the first place, you have 48 different institutions issuing bonds in competition with one another, the bonds being placed on the market to be sold. Now, under these conditions you can not possibly put the farmers of this country and their securities on an equal basis. You have too many banks of issue. The gentleman from Oklahoma has the right idea about this banking proposition. All that the farmers want is a system by which they can go in and bring the collective credits of all the farmers together in one great institution, and have their debentures issued to the investing public, and those debentures be as sound and good as State, municipal, county, or railroad bonds, and be sold at as low a rate of interest. The trouble about this method of procedure is that you can not explain any system. You have no time to deliberate about this. Men are voting here to-night for measures that have not amortization in them.

If mandatory amortization is not contained in the measure that passes here, with the further requirement that the money borrowed shall be expended upon the plantation or farm of the borrower for the improvement and enhancement of its value, the system is not worth the snap of your finger, and it will not help but will, on the contrary, hinder the farmer. You propose here to create a system under which the farmer who has a farm can go and mortgage it, and you do not restrict him in his expenditures. He may spend his money somewhere else. Instead of building up the farming interests of this country, the first thing you know you will have a whole lot of foreclosed mortgages, and we will be back in the old age of landlordism. We are in that deeply enough now, and the Lord knows it! Why do you want the Government of the United States to start the machinery over at the Bureau of Engraving and Printing grinding out securities, when the farmer has got the best security on earth? Why do you want to put the Government into the direct loaning of money? The gentleman from Ohio [Mr. BULKLEY] proposes to appropriate \$50,000,000 a year to buy the debentures of the farmers.

Mr. BULKLEY. The gentleman is just as inaccurate about that as he has been about the other things.

Mr. HOWARD. That is my understanding of section 30.

Mr. BULKLEY. I know what the gentleman understands, and I know he has studied the bill for eight hours. If he would spend a little more time on it, he would understand it better.

Mr. HOWARD. As I understand, it carries an appropriation for an amount that the Government is permitted to expend out of the unexpended balance in the Treasury, to buy \$50,000,000 worth of bonds. If it does not mean that, it does not mean anything and the gentleman does not know anything about the English language. [Laughter.] That is what it means. It does not mean anything else. I can understand the English language as well as the gentleman from Ohio can. Now, when

you appropriate that \$50,000,000 you have got a great rush of the farmers to get the \$50,000,000. What is going to become of it and who is going to get it? Is Ohio going to get it, is Oklahoma going to get it, or is Georgia going to get it? Then, when you exhaust the public funds the debentures either go below par or the interest rates mount, and everybody who knows anything about the subject knows that is true.

This is a serious proposition; it is one that I think you all ought to stop and think about a little. Take the ill-considered manner in which the Hollis bill has been brought before us. When Senator McCUMBER slipped up on the blind side of a lot of sleepy people at the other end of the Capitol the Banking and Currency Committee of the Senate got together and said, "O Lord, help us; we have got to do something." What did they do? Between the time that the McCumber amendment was put on the bill and this morning they got together and brought out the Hollis bill. And now you ask us to swallow it, hook, sinker, line, cork, and two-thirds of the pole. [Laughter and applause.]

For one I represent a farming constituency; four of the best agricultural counties in Georgia are in my district, and I am not going to be cowardly enough to stand up here on the floor of this House and swallow any such a conglomeration, and I can justify myself before any fair-thinking farmer in this country. It is time for the people of this country to understand that they run the Government and that the Government does not run them. The quicker you instill that thought into the minds of the people of this country the better off the country will be.

Mr. PLATT. Will the gentleman yield?

Mr. HOWARD. Yes.

Mr. PLATT. This bill is practically the American commission bill, is it not?

Mr. HOWARD. It is. I divide with Mr. Moss. He leaves me with the State institution, and I take him up one step and bring in the collective credit, in but one institution, and that one issues the debentures. In other words, it stabilizes the interests of the country and puts them all on an equal footing. The man that buys the debenture does not know who is the owner—whether it is in Florida, Oklahoma, or Oregon. He buys because the Government of the United States, through its supervisory officer, looks it over and says it is a good, honest security for the investment of your money. That is as far as the farmer in my district wants me to go, as far as the farmer in your district wants you to go, and as far as we ought to go in justice to the people of the country, and in view of the burdens now being laid on the people by the ill-considered things that have been done here under the guise of wise legislation. [Applause.]

Mr. EAGLE. Mr. Chairman, I think it is enormously to the credit of the representatives of the people that in this time of stress and strain men of the Democratic Party, men of the Progressive Party, men of the Republican Party have uniformly, with one exception, put partisan politics out of the entire day's debate.

When I was a young man 17 years old I left the backwoods of Kentucky, where I was reared, and went to the frontier of Texas, where I taught school, on the banks of the Red River. Across the Red River lived three tribes of Indians—the Kiowas, the Comanches, and the Apaches. They had a functionary among them called "Anumpa-secopa," whose business it was to be a common scold.

She was selected because she had the least brains, the homeliest face, the sharpest tongue, and the greatest self-assurance of all of the squaws in the tribe. I thought when I left that land of barbarians upon the frontier, then in the Indian Territory, I would never again see Anumpa-secopa, but I have found one here to-night. [Laughter.] The Democratic Party, at a time when we are trying, in conjunction with the brains and heart of the Republican and the Progressive Parties, to construct a great rural credits measure, is held up to partisan scorn and ridicule by that Anumpa-secopa purely because the Democratic Party is trying to extricate the farmers of the country from a condition of servitude to the creditor class of the Nation.

I will not willingly hurt any gentleman's feelings or call any names; and in that respect I am in the attitude of a gentleman who was playing a little game of poker, which in former days gentlemen in Texas might with respectability occasionally play. It so happened there was a one-eyed man in the game; and it came about that somebody in the game was cheating. Finally the gentleman to whom I refer said, "Now, gentlemen, I don't want to hurt anybody's feelings nor call any names, but one thing is certain, if there is any more cheating I am going to shoot that other eye out." [Laughter and applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia.

The question was taken, and the amendment was rejected.

Mr. HULINGS. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amend, by striking out all after the word "that" in the committee amendment and insert in lieu thereof the following:

"Associations for carrying on business under this act may be formed by any number of natural persons engaged in practical farming, not less in any case than 25.

"They shall enter into articles of association which shall specify in general terms the object for which the association is formed and may contain any other provisions not inconsistent with law which the association may see fit to adopt for the regulation of its business and the conducting of its affairs.

"Sec. 3. That the persons uniting to form such an association shall, under their hands, make an organization certificate which shall specifically state—

"First. The name assumed by such association, which name shall be subject to the approval of the Comptroller of the Currency.

"Second. The place where its business is to be carried on, designating the State, Territory, or District, and the particular county, town, or village.

"Third. The amount of capital stock and the manner of shares into which the same is to be divided.

"Fourth. The names and places of residence of the shareholders and the number of shares held by each of them, and that the shareholders are practically engaged in farming in the district wherein the association proposes to carry on its business, and the names and place of residences of the president, vice president, and cashier, who shall constitute the board of directors and who shall have been chosen by the shareholders to manage the business of the association for the first year or until their successors shall be elected and qualified.

"Fifth. The undertaking of the said president, vice president, and cashier that they will become trustees for the United States to take, hold, or convey deeds, mortgages, or other conveyances of real estate, and to collect rents, issues or profits, installments of interest or principal; to pay taxes when necessary to protect said mortgages, prevent waste, and to do any other undertaking or thing requisite or proper for said trustees to do in order to preserve the interest and rights of the United States in respect to the lands and the mortgages thereon conveyed to said trustees; and a copy of the bond which said trustees propose to give as security for the faithful performance of their duties.

"Sixth. That each shareholder has paid to the cashier of the association 10 per cent of the par value of the shares subscribed for by him in cash and has executed and conveyed to certain trustees for the use of the United States his certain promissory note for the sum of the par value of the shares subscribed for by him with interest at — per cent, payable annually, to be secured by a mortgage upon improved unencumbered farm lands owned by the mortgagor in fee simple, that for three years last past have been assessed for taxation purposes at a valuation double the amount of said mortgage and within 30 miles of the place wherein the association is to carry on its business, which said mortgage shall have a term not less than 3 nor more than 25 years, and shall be a collateral security for the payment of said note. And said mortgage may provide for the payment of said principal sum with interest or it may provide for the payment of annual installments of a fixed percentage of the face of said mortgage to the said trustees for a specified number of years, and shall also provide that in case the said mortgagor shall make default in the payment of any installment of payment of interest or principal or amortized sum at the time it may become due and payable the whole unpaid principal sum with interest shall immediately become due and payable, and said mortgage shall contain a scire facias clause with warrant of attorney to confess judgment for the principal sum remaining unpaid, with interest and proper costs, upon said mortgage in favor of said trustees, or such other provision permitted or required by the laws of the State wherein such mortgage is made for the immediate collection of said unpaid principal and interest with costs of the proceedings and without exemption or stay of execution.

"Seventh. The fact that the certificate is made to enable such persons to avail themselves of the advantages of this title.

"Sec. 4. That the organization certificate shall be acknowledged before a judge of some court of record or notary public, and shall be, together with the acknowledgment thereof, authenticated by the seal of such court or notary, and a copy of the articles of association duly signed by the associators, transmitted to the Comptroller of the Currency, who shall record and carefully preserve them in his office.

"Sec. 5. That upon duly making and filing articles of association and an organization certificate the association shall become, as from the date of the execution of its organization certificate, a body corporate, and as such, and in the name designated in the organization certificate, it shall have the power—

"First. To adopt and use a corporate seal.

"Second. To have succession for the period of 20 years from its organization, unless it is sooner dissolved according to the provisions of its articles of association or by the act of the association, or unless its franchise becomes forfeited by some provision of the law or by the act of two-thirds of its shareholders.

"Third. To make contracts.

"Fourth. To sue and to be sued, complain and defend, in any court of law and equity as fully as natural persons may.

"Fifth. To elect or appoint directors and the president, vice president, cashier, and other officers, define their duties, require bond of them and fix the penalty thereof, dismiss such officers, or any of them, at pleasure and appoint others to fill their places.

"Sixth. To prescribe by its board of directors, subject to the provisions of this act, by laws, not inconsistent with law, regulating the manner in which its stock shall be transferred, its directors elected or appointed, its officers appointed, its property transferred, its general business conducted, and the privileges granted to it by law exercised and enjoyed.

"Seventh. To exercise by its board of directors or duly authorized officers or agents, subject to law, all such incidental powers as shall be necessary to carry on its business by discounting and negotiating promissory notes, drafts, bills of exchange, and other evidences of debt of its shareholders; by loaning money and borrowing money according to the provisions of this act. But no shareholder shall be permitted to become indebted to the association for a sum greater than the par

value of the share held by him. The association shall not lend its funds or credit to any person not a stockholder, except that in case the association may have loanable funds not desired by any of its shareholders it may loan to other persons for terms not exceeding one year. Whenever, at any time, funds of the association can not be safely loaned at the rates fixed by the association said trustees will immediately pay such funds into the Treasury of the United States, and extinguish by so much the liability of the association to the United States.

"But no association shall transact any business, except such as is incidental and necessarily preliminary to its organization, until it has been authorized by the Comptroller of the Currency to commence its business.

"Sec. 6. That whenever the articles of association and organization certificate are transmitted to the Comptroller of the Currency, as provided by its title, and the association transmitting the same notifies the comptroller that such association has complied with the provisions of this title required to be complied with before an association shall be authorized to commence its business, the comptroller shall examine into the condition of such association, ascertain especially the amount of money paid in on account of its capital, the name and place of residence of each of its directors, and the amount of the capital stock of which each shareholder is the owner in good faith, and generally whether such association has complied with all the provisions of this title required to entitle it to engage in business; and especially the character and standing and the undertaking of the persons named as trustees and the form of the official bond which they propose to give; together with the form of the promissory notes payable to the said trustees for the use of the United States with the form of the mortgages proposed to be given to secure said notes; and shall cause to be made and attested by the oaths of the directors of the association a statement of all the facts necessary to enable the comptroller to determine whether the association is lawfully entitled to commence its business, and if upon a careful examination of the facts so reported and of any other facts which may come to the knowledge of the comptroller, whether by means of a special commission appointed by him for the purpose of inquiring into the condition of such association, or otherwise, it appears that such association is lawfully entitled to commence its business, the comptroller shall give to such association a certificate, under his hand and official seal, that such association is authorized to commence such business. But the comptroller may withhold from an association his certificate authorizing the commencement of business whenever he has reason to suppose that the shareholders have formed the same for any other than the legitimate objects contemplated by this title.

"Sec. 7. That upon the deposit with the Treasury of the United States by any farmers' loan association of the promissory note of the said association attested by the signature of the president or vice president and cashier of said association for a sum equal to the capital stock of said association with interest at 3 per cent per annum, payable in annual installments as follows: Three per cent per annum for 2 years, 5 per cent per annum for 3 years, 6 per cent per annum for 10 years, 7 per cent per annum for 10 years, until said note and interest are fully paid, beginning 12 months after the date of the note, and shall deposit with said note the promissory notes of the shareholders payable to said trustees for the use of the United States in amount equal to the capital stock of said association with mortgages as aforesaid to secure the payment of said notes and interest thereon, accompanied by policies of insurance of the validity of such mortgages, and the same are approved by said Comptroller of the Currency to be in proper substance and form according to the purposes and intent of this act; and it appearing that said notes and mortgages are valid securities taken by the association in payment of shares of its stock and deposited as collateral security with the Secretary of the Treasury to secure the payment of the note of the association as aforesaid, and to secure the immediate payment of any installment of said association note with proper costs in case default shall be made in the payment of any such installment at the time it becomes due, and thereafter or as often as any installment becomes due in which there is any default in payment and the said trustees having deposited with the said Secretary their undertaking of the office of trustees of said securities for the use of the United States, together with their official oaths and bonds for the faithful discharge of their duties, the Secretary of the Treasury shall then place the notes made by the shareholders and the mortgages securing the payment thereof in the possession of such trustees, and such association shall be entitled to receive from the Comptroller of the Currency circulating notes of the United States to an amount equal to the par value of the stock of said association; and it shall be the duty of said trustees to safely keep said mortgages and the shareholders' notes secured by the same and to collect the said notes and the interest as the same becomes due, and out of such collections to pay to the Treasury of the United States the stipulated annual installments as they fall due on the note of the association, and such payments shall be credited on the note of the association, and in case there is any default on the part of any maker of any of said notes according to the terms thereof, or if taxes are allowed to become a lien upon the land mortgaged to secure any of said notes, to proceed at once to collect the whole of said mortgage thus in default with interest and the costs thereof; any moneys collected by the trustees over and above the amount required for the annual payment for any year due to the United States shall be paid into the treasury of such association.

"In case of the death of a trustee or trustees the survivor or survivors shall act.

"Sec. 8. That the association shall then cause the certificate issued under the preceding section to be published in some newspaper printed in the district where the association is located for at least 30 days next after the issuing thereof, or, if no newspaper is published in such district, then in the newspaper published nearest thereto.

"Sec. 9. That any such association may change its name or place where its business is to be carried on to any other place within the same State not more than 30 miles distant with the approval of the Comptroller of the Currency, by the vote of two-thirds of the shareholders of such association. A duly authenticated notice of the vote and of the new name or location selected shall be sent to the office of the Comptroller of the Currency, but no change of name or location shall be valid until the comptroller shall have issued his certificate of approval of the same.

"All debts, liabilities, rights, provisions, and powers of the association under its old name shall devolve upon and inure to the association under its new name.

"Nothing in this act contained shall be so construed as in any manner to release any such created association under its old name or at

its old location from any liability, or affect any action or proceeding in law in which said association may be or become a party or interested.

"Sec. 10. That a farmers' loan association may purchase, hold, and convey real estate for the following purposes, and for no others:

"First. Such as shall be necessary for its immediate accommodation in the transaction of its business.

"Second. Such as shall be mortgaged to it in good faith by way of security for debts contracted.

"Third. Such as it shall purchase at sales under judgments, decrees, or mortgages held by the association, or shall purchase to secure debts due to it.

"Sec. 11. That the capital stock of each association shall be not less than \$25,000, or may be any multiple thereof, and shall be divided into shares of the par value of \$100 each, and be deemed personal property and transferable on the books of the association in such manner as may be prescribed in the by-laws or articles of association. Every person becoming a shareholder by such transfer shall, in proportion to his shares, succeed to all the rights and liabilities of the prior holder of such shares, and no change shall be made in the articles of association by which the rights, remedies, or security of the existing creditors of the association shall be impaired.

"Sec. 12. That in all elections of directors, and in deciding all questions at meetings of shareholders, each shareholder shall be entitled to one vote without respect to the number of shares held by him. Shareholders may vote by proxies duly authorized by writing; but no officer, clerk, teller, or bookkeeper of such association shall act as proxy, and no shareholder whose liability is past due and unpaid shall be allowed to vote.

"Sec. 13. That the affairs of each association shall be managed by three directors, one of whom shall be president, one vice president, and one cashier, who shall be elected by the shareholders at a meeting to be held at any time before the association is authorized by the Comptroller of the Currency to commence business and afterwards at meetings to be held on such day of each year as is specified therefor in the articles of association. The directors shall hold office for one year and until their successors are elected and have qualified.

"Sec. 14. That every director must, during his whole term of service, be a citizen of the United States, and must have resided in the district in which the association is located for at least one year immediately preceding their election and must be resident therein during their continuance in office. No director shall own more than one share of the capital stock of the association of which he is a director, nor shall he be a borrower from or be in any way peculiarly interested in loans made by such association. Any director who as a trustee is unsatisfactory to the Comptroller of the Currency may be immediately removed as such trustee by the said comptroller, and such removal renders such person ineligible as director and his place shall become vacant.

"Sec. 15. That each director, when appointed or elected, shall take an oath that he will, so far as the duty devolves upon him, diligently and honestly administer the affairs of such association, will not knowingly violate, or willingly permit to be violated, any of the provisions of this title, and that he is the owner in good faith and in his own right of the number of shares of stock subscribed by him or standing in his name on the books of the association, and that the same is not hypothecated or in any way pledged as security for any loan or debt other than to the association itself. Such oath, subscribed by the director making it, and certified by the officer before whom it is taken, shall be immediately transmitted to the Comptroller of the Currency and shall be filed and preserved in his office.

"Sec. 16. That any vacancy in the board shall be filled by appointment by the remaining directors, and any director so appointed shall hold his place until the next election.

"Sec. 17. That if, from any cause, an election of directors is not made at the time appointed, the association shall not for that cause be dissolved, but an election may be held on any subsequent day, 30 days' notice thereof in all cases having been given in a newspaper published in the city, town, or county in which the association is located; and if no newspaper is published in such city, town or county, such notice shall be published in a newspaper published nearest thereto. If the articles of association do not fix the day on which the election shall be held, or if no election is held on the day fixed, the day for the election shall be designated by the board of directors in their by-laws, or otherwise; or if the directors fail to fix the day, shareholders representing two-thirds of the shares may do so.

"Sec. 18. That the shareholders of every farmers' loan association shall be held individually liable, equally, and ratably, and not one for another, for all contracts, debts, and engagements of such association, to the extent of the amount of their stock therein, at the par value thereof, in addition to the amount invested in such shares.

"Sec. 19. That the Treasurer of the United States is also authorized to permit the trustees to substitute for one or more of said notes and mortgages one or more other notes and mortgages of similar terms and of equal approved value whenever said association may find it necessary to substitute for a nonborrowing shareholder another shareholder desiring to borrow, who furnishes equally good security, and such substitution having been authorized, the trustees shall transfer the shares held by the retiring shareholder to the new shareholder or shareholders.

"Sec. 20. That the power of visitation and inspection of each association shall be similar to that now exercised by the United States over national banks, but the fee for any inspection shall not exceed \$15, and inspections shall not be made more than three times in any one year.

"Sec. 21. That the general provisions of law relating to suits by or against national banks shall apply to farmers' loan associations.

"Sec. 22. That the real property of any such association shall be subject to State, county, or municipal taxes to the same extent according to value as other real property is taxed, but the mortgages made to any trustees for the use of the United States shall not be subject to State taxation, nor shall the loans of the United States to any such association be subject to taxation for any purpose."

Mr. LEVER. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in 11 minutes, 6 minutes to be controlled by the gentleman from Pennsylvania [Mr. HULINGS] and 5 minutes by the gentleman from Illinois [Mr. BUCHANAN].

The CHAIRMAN. Is there objection?

There was no objection.

Mr. HULINGS. Mr. Chairman, if there are any Members of this House who are opposed to the policy of Government aid, I can not, of course, expect them to vote for this proposition

of mine; but if it will be admitted that it is ever justifiable that industries should receive Government aid, on the ground that such aid promotes the public welfare, then I should like to have them consider my amendment. There are about five thousand million dollars of farm indebtedness in this country. The farmers are paying about 7.8 per cent interest on the average. The burden that they are paying could scarcely be sustained by any other business. The average increase in population of the whole country in the last 10 years has been 21 per cent. In cities of over 2,500 inhabitants the increase has been over 35 per cent, while it has been but 11 per cent increase in our rural population. Why is that so? It is simply for the reason that the farmer boy finds more compensation and a better living in the city than he does on the farm. It is so because the conditions of life on the farm are harder than they are in the city, and he goes to the city. The proposition to afford Government aid would not be justifiable unless it can be shown that it promotes the general welfare. This Government since its foundation has been expending enormous sums in its bounty to various enterprises, to various industries, and for various purposes, and not one of them is justified unless it can be shown that those expenditures promote the general welfare. I shall not argue the question of whether we should or should not adopt a policy of Government aid. I will only say this, that if you do adopt the policy of Government aid, this proposition that I have presented is the simplest, the cheapest, the most efficacious of all.

There is not one dollar of money from the time it leaves the Government Treasury until it gets into the hands of the farmer who puts up the security that will stick anywhere on the road. Every one of these other propositions proposes a great machinery of expenses, an army of employees, great salaries, splendid institutions, and the farmer has got to foot the bill at the last. This proposition would bring the money to the farmer who could put up the approved security, and any person who can understand the method of the building and loan associations that have been so beneficial and so successful in this country can understand this proposition of mine. It will be inexpensive, and there need not be greater expense in running one of these farm associations than in running a building and loan association.

My amendment provides that any number of farmers, not less than 25, in a prescribed district may organize an association in the same manner as national banks are organized, except that they give their notes drawing 6 per cent interest, secured by mortgage on unencumbered farm property that for three years previously has been assessed at double the amount of the notes; that the organization shall then make its note to the Government for an amount equal to the sum of the mortgages at 3 per cent interest and payable in amortized payments over a period of 25 years.

This association note, with the personal notes of the stockholders, with the mortgages as collateral security, are presented to the Secretary of the Treasury, together with policies of insurance of an approved title insurance company that the titles are valid; and if the Secretary approves the same he is authorized to pay to the association United States currency to the amount of the association note. He also appoints a trustee, to whom he delivers the personal notes and mortgages, whose duty it is to see that no waste is committed on the lands and to collect the installments of interest as they fall due, and paying so much thereof to the Government to pay the amortized payments as they fall due and paying the balance to the association.

Assuming that the operating expenses will be about the same as in building and loan associations, it is found by careful computation that the semiannual payments of 3 per cent interest will pay back to the Government the principal sum borrowed with 3 per cent interest.

There are provisions for foreclosure in case of default; for the termination of the loan where individuals desire to sell or to anticipate payments, and other safeguards for the Government.

With property with double the amount of the loan, with the loan going into the improvement and operation of the property, the chance of loss to the Government is practically negligible.

The association naturally becomes the nucleus of cooperative buying of farm supplies, of marketing farm products, but whether such operations are successful or failures the results can in no wise affect the security of the Government loan.

Now, Mr. Chairman, I understand, of course, there is no possibility even of having this proposition of mine considered, but I want it to go in the RECORD. I have no idea that there will be anything put through now that will be of any use. I want the bill to go in the RECORD, not because it is a pet of mine.

It owes its paternity to me and it has a very respectable paternity. I do not know how it is with the gentleman from Colorado [Mr. KEATING]. He has not shown up his pet. I do not know whether he is ashamed of it or not, but at any rate I want this proposition to go in the RECORD, so in future days it may be referred to and may be of use when a real rural credit bill is enacted. I yield back the balance of my time, if I have any.

Mr. BUCHANAN of Illinois. Mr. Chairman, I have also introduced a bill which is a real genuine Government banking bill, you might call it. I do not desire to take up the time of the committee to have this read as an amendment, but I ask unanimous consent to print it in the RECORD. The bill I have introduced provides for a revision of postal savings banks. I will first say, however, I have some doubt in my mind whether we will do anything this evening that will be of real benefit to the farmer, because it was public opinion that forced the passage of this postal savings bank in 1910, and it was born, hamstrung, and so surrounded by restrictions and limitations until anyone knows who has studied it that it is only a subterfuge for a postal savings bank. This bill of mine provides for taking these restrictions off and loaning the money to workmen, home builders, and farmers.

Now, this may sound something new and probably something dangerous to some who have not studied this question and what has been done in this direction in European countries. Leading European countries have been giving aid to workingmen home owners. They have loaned their most sacred funds for this purpose, such as insurance funds, and so forth, and the gentleman who says that Germany and other like foreign countries are not assisting, that the German Government is not assisting in farm loans and workingmen home-ownership loans does not know what he is talking about, because they have loaned in small amounts as well as assisting their larger institutions, and those loans have been for the benefit of the citizens of the country. Now, the reason this sort of legislation does not come to the front like some others is because it would interfere with the money changers in the country in collecting tribute from the great masses of the country. When the time comes—which I hope will be in my day—that this great mass of the people will become as wide awake to their interests as the money changers now are to theirs you are not going to hesitate in passing real legislation for the benefit of those people, and you will not hesitate to give Government aid to the farmers and working people, the producers of the wealth of the country, as you have in the past, and are now giving aid to the big business interests of the country so that they may be able to extract large profits from the great masses of the people, the farmers and the other producers, by charging an exorbitant rate of interest. I put into the RECORD on January 20 some very good information in regard to facts as to what had been done in foreign countries, and even in this country, in regard to the State aid in farm loans.

We have eight States at the present time that are now loaning, I believe, money through their school funds to farmers on farm mortgages. There is no better security, and I do not hear of any of these people losing money on farm mortgages. It is the best security there is, much preferable to railroad bonds and other watered-stock institutions which the bankers often are loaning on to-day, and it is about the safest proposition in the way of an investment for security that you can have—a farm mortgage or home mortgage at about 50 per cent of its value. Now, if the Congress and the Government will be of real benefit to the working people and the farmers of the country, they ought not to do this through the agency of bankers, because if there is ever a time there was a demonstration of the need of a real Government bank, it has been in the recent past. The private banks' extortionate interest rates has obstructed business prosperity very much in the recent past.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BUCHANAN of Illinois. I ask unanimous consent to extend my remarks very briefly on the bill. I asked in the very beginning of my remarks to insert a print of this bill. I do not know whether the Chair put the question or not.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to extend his remarks and to print the bill as a part of his remarks. Is there objection? [After a pause.] The Chair hears none.

The bill referred to is as follows:

Be it enacted, etc., That an act entitled "An act to establish postal savings depositories for depositing savings at interest with the security of the Government for repayment thereof, and for other purposes" (act approved June 25, 1910, chapter 386, United States Statutes), be, and the same is hereby, amended to read as follows:

"SECTION 1. That there be, and is hereby, created a board of trustees for the control, supervision, and administration of the postal savings banks, designated and established under the provisions of this act, and

of the funds received as deposits at such postal savings banks by virtue thereof. Said board shall consist of the Postmaster General, the Secretary of the Treasury, and the Attorney General, severally, acting ex officio, and shall have the power to make all necessary and proper regulations for the receipt, transmittal, custody, deposit, investment, and repayment of the funds deposited at postal savings banks.

"The board of trustees shall submit a report to Congress at the beginning of each regular session showing by States and Territories (for the preceding fiscal year) the number and names of post offices, the aggregate amount of deposits made therein, the aggregate amount of withdrawals therefrom, the number of depositors in each, the total amount standing to the credit of all depositors at the conclusion of the year, the number and amount of unclaimed deposits, the amount invested in agricultural lands and improvements and on homes, itemizing or giving a full list of the agricultural lands and homes and the amount loaned on each, and the amount of circulating notes, as herein-after provided, issued, and canceled. Also the amount of extra expense to the Post Office Department and the Postal Service incident to the operation of the postal banking system by the Post Office Department and Postal Service in the transportation of free mail, with other facts which it may deem pertinent and proper to present.

"SEC. 2. That the Postmaster General is hereby directed to prepare and issue special stamps of the necessary denomination for use, in lieu of penalty or frank envelopes, in the transmittal of free mail resulting from the administration of this act.

"SEC. 3. That each and every post office is hereby declared to be a postal savings bank within the meaning of this act, and to be authorized and required to receive deposits of funds from the public, and to account for and dispose of same according to the provisions of this act and the regulations made in pursuance thereof. That each postal savings bank shall be kept open for the transaction of business during such hours as the Postmaster General, with the approval of the board of trustees, shall direct.

"SEC. 4. That accounts may be opened and deposits made in any postal savings bank established under this Act by any person of the age of 10 years or over, in his or her own name, and by a married woman in her own name and free from any control or interference by her husband, and by firms, corporations, and public bodies in their business, corporate, or public name; but no depositor shall at the same time have more than one account in his, her, or its own right.

"SEC. 5. That each postmaster shall, upon the making of an application to open an account under this act and the submission of an initial deposit, deliver to the depositor a pass book, free of cost, upon which shall be written the name and signature or mark of the depositor and such other memoranda as may be necessary for the purpose of identification, in which pass book entries of all deposits and withdrawals shall be made in both figures and writing: *Provided*, That the Postmaster General may, with the approval of the board of trustees, adopt some other device or devices in lieu of a pass book as a means of making and preserving evidence of deposits and withdrawals.

"SEC. 6. That at least \$1 or a larger amount must be deposited before an account is opened with the person depositing same: *Provided*, That in order that smaller amounts may be accumulated for deposit any person may purchase for 10 cents from any postal savings bank a postal savings card, to which may be attached specially prepared adhesive stamps, to be known as 'postal savings stamps,' and when the stamps so attached amount to \$1 or a larger sum, including the 10-cent postal savings card, the same may be presented as a deposit for opening an account, and additions may be made to any account by means of such card and stamps in amounts of \$1 or more and when a card and stamps thereon attached are accepted as a deposit the postmaster shall immediately cancel same. It is hereby made the duty of the Postmaster General to prepare such postal savings cards and postal savings stamps of denominations of 10 cents, and to keep them on sale at every postal savings bank, and to prescribe all necessary rules and regulations for the issue, sale, and cancellation thereof.

"SEC. 7. That the postmaster shall also upon the making of an application by a depositor, signed by his, her, or its name, deliver to the depositor free of cost a check book containing printed blank orders on the Postal Savings Bank for payment of money: *Provided*, That the Postmaster General may, with the board of trustees, adopt some other device or devices in lieu of a check book as a means of making and preserving evidence of orders, payments, and transmittals. That the postmaster shall, whenever so requested and whenever funds to the amount of the order are in the bank to the credit of the issuer of the order, certify the order by his signature free of charge. Such certified check shall then be legal tender for the payee or his order. That the postmaster shall accept for collection without charge noncertified postal checks and checks other than postal, but he shall not allow them to be drawn against until the money is received.

"SEC. 8. That any depositor may withdraw the whole or any part of the funds deposited to his, her, or its credit upon demand and under such regulations as the board of trustees may prescribe. Withdrawals shall be paid from the deposits in the State or Territory, so far as the postal funds on deposit in such State or Territory may be sufficient for the purpose, and so far as practicable from the deposits in the community in which the deposit was made. For the purposes of this act the word 'Territory' as used herein shall be held to include the District of Columbia, District of Alaska, Philippine Islands, Hawaii, and Porto Rico.

"SEC. 9. That 5 per cent of such postal savings bank funds shall be withdrawn by the board of trustees and kept with the Treasurer of the United States, who shall be the treasurer of the board of trustees, in lawful money as reserve.

"SEC. 10. That whenever the board of trustees have in their possession postal savings bank funds available for investment they may loan same as hereinafter specified, through the loan bureau hereinafter provided.

"SEC. 11. That there is hereby created a loan bureau under the supervision of the board of trustees for the purpose of making loans on agricultural lands and improvements, homes, and for other purposes.

"SEC. 12. That a chief and deputy chief of such bureau shall be appointed by the President of the United States, by and with the consent of the Senate; the salary of the chief of such bureau shall be \$6,000 per annum and of the deputy chief \$5,000 per annum.

"SEC. 13. That it shall be the duty of the chief of such bureau, under the direction and with the approval of the board of trustees—

"First. To superintend the affairs of the bureau; to receive and approve or reject applications for loans.

"Second. To keep a record of all such applications and action thereon.

"Third. To keep an account with every person to whom a loan is made.

"Fourth. To keep an account with the board of trustees, showing all moneys received and disbursed by him and the purpose for which such receipts and disbursements were made; to collect and pay into the Treasury of the United States all loans when due and payable.

"Fifth. To make all proper rules necessary to carry this act into effect.

"Sixth. To appoint such subordinate officers of the bureau as may be necessary to carry out the provisions of this act, and to define their duties and fix their salaries, which salaries shall in no case exceed the salaries now paid for similar clerical services in the Treasury Department.

"Seventh. To prescribe the form and manner of keeping accounts with the Treasury Department and with the various persons to whom the loans shall have been made, and of the expenses and disbursements in connection therewith.

"Eighth. To perform such duties as are prescribed by law.

"SEC. 14. That the board of trustees may, at their discretion, loan at 3 per cent interest, payable annually, to the United States Government and the different States or Territories of the United States, and also upon requests through any local postmaster and on his recommendation to counties, cities, villages, townships, school districts, or any other public taxing body, for the construction of public works within the limits of each: *Provided*, That such loans shall be repaid in not more than 20 equal annual installments, according to the judgment of the board of trustees, and that such public work in its entirety shall remain the property of the United States until such loan is repaid.

"SEC. 15. That every person who is a citizen of the United States or who has declared his intention to become such, and who is the owner in fee of unencumbered agricultural lands, with or without improvements, or who wishes to buy a home—that is, a house and lot—may file with the bureau an application for a loan to be secured upon the land and such improvements, or upon the home. Such application must be in the form prescribed by the chief of the bureau. Applications for loans upon lands, with or without improvements, must describe the land and state its actual cash value for agricultural purposes, and also the value of the improvements, if any, and also the assessed valuation of both the land and improvements for taxation purposes for the year previous to application, the amount for which the loan is sought, which must not exceed one-half the assessed value of the land and improvements. Application for loans to buy a home must describe the house and lot which the applicant contemplates buying, its actual cash value, and also the assessed value of the house and lot for the year previous to application, the amount for which the loan is sought, which must not exceed one-half the assessed value of the property. All applications must also state the time for which the loan is to run, not exceeding 20 years, together with such other facts as the chief of the bureau may by regulation prescribe. No loans shall be made upon property of less than \$500 in value nor in sums of less than \$250.

"SEC. 16. That if improvements have been placed upon agricultural lands subsequent to the last assessment made on the property; or if, in case of application for loan to buy a home, the house was built subsequent to the time the last regular assessment was made, it shall be the duty of the assessor in the Territory in which this land and improvements or home lie to make a special assessment, which assessment shall be used as the assessed value of the property in the application for a loan.

"SEC. 17. That a copy of the application for such loans must, at or before the time of its receipt by the chief of the bureau, be filed in the office of the recorder of deeds or the officer exercising the functions of recorder in the county of the State or Territory in which the land and improvements or home is situated, or, if the land and improvements or home lie in two or more counties, in such office in each of the counties; and from the time of filing of such application in such office such filing shall constitute a lien upon the property described for the amount of any loan granted by the United States under such application, and shall be notice to all subsequent purchasers and encumbrances, and shall be a paramount lien over all others with which said property may be further encumbered, and shall, if the application is granted, continue until the money thereby secured, with the interests, costs, and legal charges of collection, has been fully repaid and satisfied.

"SEC. 18. That upon filing of such application with the loan bureau the applicant must deposit a sum, the amount of which shall be prescribed by the chief of bureau, sufficient to pay the costs of examination of title to the property and inspection and appraisal thereof, which examination, inspection, and appraisal shall be made by persons within the respective counties, to be appointed for that purpose by the chief of the bureau, and their compensation must be paid out of the amount so deposited, the balance, if any, to be returned to the applicant.

"SEC. 19. That if the chief of the bureau, upon such application and upon the report of the commissioners of title and appraisers, is satisfied that the title is perfect and that the amount sought does not exceed one-half the actual cash value of the property and is not greater than one-half of the assessed value thereof for the year previous to the application, then it shall be his duty to notify the applicant that the loan is granted, and to direct an entry to be made upon the books of his office, crediting the full amount of the loan to the applicant, and to transmit to the proper officer of the Treasury of the United States an order directing him to pay the amount thereof, out of the postal savings bank funds or notes hereinafter provided for, to the disbursing officer of the loan bureau, where the same shall remain subject to the order of the applicant, who may at once, or from time to time, as he may desire, draw same upon his check or draft.

"SEC. 20. That the chief of bureau, after having received the report of the commissioners of title and appraisers and being satisfied that the title to the said property is in the applicant, but that the loan sought is too large, may so notify the applicant and advise him that a smaller sum (naming it) would be lent. In case the applicant accepts such smaller loan, proceedings shall then be had as provided in section 17 hereof, and the chief of the bureau shall issue to such applicant a certificate to be filed in the recorder's office, where the original application is filed, certifying that said loan has been made for an amount less than is set forth in the application (stating it), which certificate shall, as to the amount, have the effect of reducing the lien of the United States to the sum therein stated.

"SEC. 21. That when application is made for loan upon agricultural lands with or without improvements, there is upon the land described an existing lien or incumbrance to secure the payment of money presently due and payable, and in an amount less than the loan sought and granted, then the land shall be deemed unincumbered, but instead of paying the amount loaned to the applicant it shall be the duty of the disbursing officer, out of the sum loaned, to pay off the amount due and to cause to be discharged the lien or incumbrance, charging the amount

of such payment to the applicant in like manner as if it had been paid on his check or draft.

"Sec. 22. That it shall be the duty of the chief of bureau to cause an account to be opened on the books of the department with each person to whom a loan is made, crediting him with the amount of the loan and charging him with the amount drawn thereon with interest on the amount so drawn at the rate of 3 per cent per annum, and also to credit to such account all payments made, so that such account shall at all times show the true state of account between such person and the United States.

"Sec. 23. That any person who is indebted to the United States on any of the accounts aforesaid may at any time pay into the bureau the whole or any part thereof, and may, at the time of making such payment, with the consent of the chief of bureau, elect in writing to make the security already given a continuing one until the expiration of the 20 years, and may, at any time during the life of the original loan, by check or draft, draw from the bureau a sum or sums up to the full amount of the loan originally granted. It shall be the duty of the Secretary of the Treasury to cancel and retire from time to time amounts equal to the payments made on loans under the provisions of this act, and in case payments of such loans are made in other currency of the United States, to cancel an equal amount of the notes hereinafter provided.

"Sec. 24. That the Secretary of the Treasury, whenever the trustees have requests for loans without funds available for the purpose, or whenever withdrawals reduce the reserve below 5 per cent of the deposits, shall be authorized and directed to cause to be printed, signed, and issued for such purpose circulating notes of the United States of the denominations of \$1, \$5, \$10, \$20, \$50, \$100, \$500, \$1,000 in such amounts as from time to time shall be necessary to meet the requirements of this act to be transferred to the trustees as they may need them and by them refunded when no longer needed.

"Sec. 25. That said notes when issued shall be a legal tender at their face value for all debts, public and private.

"Sec. 26. That whenever an application for a loan is refused, or when a loan once made has been fully paid without an election to continue same, the chief of the bureau shall make a certificate stating the fact, which certificate, filed in the office of the recorder of the county in which the original application was filed, shall release the lien of the United States upon the land described in the application.

"Sec. 27. That all loans made under the provisions of this act shall bear interest at the rate of 3 per cent, payable annually, and in default of the payment of any such interest, or on any default in payment of principal, the chief of bureau may order a foreclosure of the lien by a suit in the name of the United States, as plaintiff, in any court of the State in which such mortgaged property, or any part thereof, may be, or in any circuit or district court of the United States for the district in which such mortgaged property may lie, or if such mortgaged lands lie in a Territory or in the District of Columbia, then in such Territorial or District courts. All proceedings in foreclosure cases shall, as nearly as may be, conform to proceedings provided for by law in the States in which the property may be situated for foreclosure of mortgages, and in addition to the amount of the principal and interest recovered there shall in such proceedings be added to the principal and interest due, the cost thereof and attorney counsel fees at the rate of 5 per cent on the amount of the principal sum: *Provided*, That in no case shall such attorney and counsel fees exceed \$500.

"Sec. 28. That postal savings bank funds shall be kept separate from other funds by the postmasters and other officers and employees of the Postal Service, who shall be held to the same accountability under their bonds for such funds as for public moneys; and no person connected with the Post Office Department shall disclose to any person other than the depositor the amount of any deposits unless directed so to do by the Postmaster General. That statutes relating to the safe-keeping of and proper accounting for postal receipts are made applicable to postal savings bank funds, and the Postmaster General may require postmasters, assistant postmasters, and clerks at postal savings banks to give any additional bond he may deem necessary.

"Sec. 29. That additional compensation shall be allowed postmasters for the transaction of postal bank business, and shall be paid from the postal bank revenues.

"Sec. 30. That the sum of \$100,000 is hereby appropriated, out of any money in the Treasury not otherwise appropriated, or so much thereof as may be necessary, to enable the Postmaster General and the board of trustees to establish postal savings banks in accordance with the provisions of this act; and the Postmaster General is authorized to require postmasters and other postal officers and employees to transact in connection with their other duties such postal savings bank business as may be necessary; and he is also authorized to make and with the approval of the board of trustees to promulgate, and from time to time, to modify or revoke, subject to the approval of the board, such rules and regulations not in conflict with law as he may deem necessary to carry the provisions of this act into effect.

"Sec. 31. That all safeguards provided by law for the protection of public moneys, and all statutes relating to embezzlement, conversion, improper handling, retention, use, or disposal of postal and money-order funds and the punishments provided for such offenses are hereby extended and made applicable to postal savings bank funds, and all statutes relating to false returns of postal and money-order business, the forgery, counterfeiting, alteration, improper use or handling of postal and money-order blanks, forms, vouchers, accounts, and records, and the dies, plates, and engravings therefor, with the penalties provided in such statutes, are hereby extended and made applicable to the postal savings bank business, and the forgery, counterfeiting, alteration, improper use or handling of postal savings bank blanks, checks, forms, vouchers, accounts, and records, and the dies, plates, and engravings therefor.

"Sec. 32. That the faith of the United States is solemnly pledged to the payment of the deposits made in postal savings banks.

"Sec. 33. That the final judgment, order, or decree of any court of competent jurisdiction adjudicating any right or interest in the credit of any sums deposited by any person with the postal savings bank, if the same shall not have been appealed from and the time for appeal expired, shall, upon submission to the Postmaster General of a copy of the same, duly authenticated in the manner provided by the laws of the United States for the authentication of the records and judicial proceedings of the court of any State or Territory or of any possession subject to the jurisdiction of the United States, when the same are proved or admitted within any other court within the United States, be accepted and pursued by the board of trustees as conclusive of the title, right, interest, or possession so adjudicated, and any payment of

said sum in accordance with such order, judgment, or decree shall operate as a full and complete discharge of the United States from the claim or demand of any person or persons to the same."

Mr. KEATING. Mr. Chairman, I make the same request, to extend my remarks in the RECORD.

The CHAIRMAN. The gentleman asks unanimous consent to extend his remarks in the RECORD. Is there objection? [After a pause.] The Chair hears none.

Mr. BRITTEN. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from Illinois [Mr. BRITTEN] makes the same request. Is there objection? [After a pause.] The Chair hears none.

Mr. HULINGS. Mr. Chairman, I ask unanimous consent to extend my remarks also.

The CHAIRMAN. The gentleman from Pennsylvania asks unanimous consent to extend his remarks. Is there objection? There was no objection.

Mr. NORTON. Mr. Chairman, I make the same request.

The CHAIRMAN. The gentleman from North Dakota makes the same request. Is there objection? [After a pause.] The Chair hears none.

Mr. HULINGS. Mr. Chairman, I ask for a vote on my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania.

The question was taken, and the chairman announced that the yeas seemed to have it.

Mr. HULINGS. Mr. Chairman, I shall not ask for a division.

The amendment was rejected.

Mr. MAPES. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment to the amendment, offered by Mr. MAPES:

"Page 50, line 3, after the word 'appointed,' strike out the words 'without regard' and insert the word 'according.'"

Mr. LEVER. Mr. Chairman, I ask unanimous consent that debate on this amendment and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from South Carolina asks unanimous consent that all debate on this amendment and all amendments thereto close in five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MAPES. Mr. Chairman, the National Association of Civil Service Employees has been holding an annual meeting in this city to-day. I read in the afternoon papers that some of the distinguished Members of this House have been addressing that association.

This Congress has probably created more new offices, more new positions, than any other Congress in many years. It is a significant fact that notwithstanding the platform declaration of the majority party, those positions and those offices have almost invariably been taken out of the civil-service law and the civil-service regulations and have been put under the spoils system. I need only call your attention to the tariff act and the Federal reserve act, but there are many others.

Mr. MOORE. Will my colleague yield?

Mr. MAPES. I yield.

Mr. MOORE. Do I understand from the statement made by the gentleman from Michigan that this bill proposes to violate the civil-service act?

Mr. MAPES. That is the very idea I wish to convey. This bill proposes to put the great rural-credit system at its inception under partisan political control. It expressly provides in section 3 of the bill, page 50, that "all such attorneys, experts, assistants, clerks, and other employees"—I am giving the language of the bill—"shall be appointed without regard to" the civil-service law or the regulations of the Civil Service Commission. A Federal rural-credit system, above every other, ought to be kept out of politics. One serious objection to the amendment as reported by the committee is that it creates another board, it creates another banking system without any corresponding benefits. It puts all of the employees of that system under the spoils system. It takes them out of the civil service by express enactment.

Mr. Chairman, my amendment proposes instead of taking them out of the civil service to place them under the civil service, and that the appointments be made after an examination according to the civil-service law and the regulations of the Civil Service Commission. This Congress has taken many backward steps with reference to the civil service. It ought not to take any more. I trust that my amendment will prevail. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan [Mr. MAPES].

The question was taken, and the Chairman announced that the noes seemed to have it.

Mr. MAPES. Division, Mr. Chairman.

The committee divided and there were—ayes 74, noes 136.

Mr. MAPES. Mr. Chairman, I ask for tellers.

Tellers were ordered.

The committee again divided, and the tellers [Mr. MAPES and Mr. LEVER] reported—ayes 91, noes 113.

So the amendment was rejected.

Mr. BULKLEY and Mr. MORGAN of Oklahoma rose.

The CHAIRMAN. The gentleman from Ohio [Mr. BULKLEY] is recognized.

Mr. BULKLEY. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 99, after line 10, insert the following:

"PURCHASE OF BONDS BY GOVERNMENT.

"SEC. 30. That the Secretary of the Treasury shall, upon application of one or more of the Federal land banks herein established, and upon the recommendation of the Federal farm loan board, purchase from the Federal land banks farm-loan bonds not previously issued or sold, in an amount not to exceed \$50,000,000 during any one year, and shall pay for the same out of any money in the Treasury not otherwise appropriated: *Provided*, That any land bank which may sell its bonds to the Secretary of the Treasury, as provided by this section, shall, by appropriate action of its board of directors, as consideration for the accommodation afforded by the Secretary of the Treasury, enter into an agreement that at any time on 30 days' notice from the Secretary of the Treasury said land bank will cease to make any investments whatever, and will devote all receipts from every source, except so much as may be necessary for the payment of maturing liabilities to the redemption of its bonds so purchased and held by the Secretary of the Treasury. The enforcement of said agreement shall be at the discretion of the Secretary of the Treasury.

"Whenever the Secretary of the Treasury shall have purchased any farm-loan bonds under the provisions of this section, he may hold the same until maturity, or may sell such bonds at his discretion.

"The Secretary of the Treasury, upon request of the Federal farm loan board and the approval of the President, may issue and sell or use for the purposes of this act any of the bonds of the United States now available in the Treasury of the United States under the act of August 5, 1909, the act of February 4, 1910, and the act of March 2, 1911, relating to the issue of bonds for the construction of the Panama Canal: *Provided*, That any Panama Canal bonds issued and sold or used under the provisions of this section or other existing authority may be made payable at such time after issue as the Secretary of the Treasury, in his discretion, may deem advisable and fix, instead of 50 years after date of issue, as in said act of August 5, 1909: *Provided further*, That in the discretion of the Secretary of the Treasury such bonds may bear a rate of interest not exceeding 3½ per cent per annum."

Mr. BULKLEY. Mr. Chairman, the amendment which I now offer represents the very life of the whole proposition.

Of all the rural-credits bills that have been considered in Congress, that one which represents the greatest labor, the greatest attention, the most careful consideration, the greatest amount of expert advice, is the Hollis-Bulkley bill.

It is a bill that could not have been written by one man or by two. It is the joint work of many minds. Section 30, providing for the purchase of bonds by the Government, which I now offer as an amendment, was a part of the original Hollis-Bulkley bill, and was a part of that bill as it was pending before Congress for 10 months. The Senate Banking and Currency Committee last Saturday, hastily called together to meet a parliamentary situation, reported out a new Hollis bill with section 30 stricken out of the original bill. The House Committee on Agriculture this morning, meeting hurriedly to meet an unexpected parliamentary situation, found itself obliged to indorse the work of the Senate Committee on Banking and Currency for lack of greater knowledge of the subject on the part of the Members of the House Committee on Agriculture.

The amendment which I now offer brings the bill back to its original, well-considered form. It puts the life into the bill. The bonds which we propose will be, I think, as salable as any bonds that could be devised without Government aid. But I do not believe that any new series of bonds, unseasoned, could catch the popular approval and meet the public confidence promptly enough to insure the success of a system that did not have Government aid, and all the experience of the world justifies that conclusion.

This Government aid is as carefully guarded as any Government aid can be. If any man is for Government aid at all, he can vote for this proposition; and I appeal also to those who prefer that we concur in the McCumber amendment. This is not offered as an amendment to the McCumber proposition. It is offered to put life into the Hollis bill.

Mr. RAKER. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. Does the gentleman from Ohio yield to the gentleman from California?

Mr. BULKLEY. Yes.

Mr. RAKER. Do I understand the Bulkley-Hollis bill is the one that the two committees of the House and the Senate in joint session have been considering?

Mr. BULKLEY. That is the one, and it included section 30, providing for the purchase of bonds by the Government.

Mr. RAKER. One other question.

Mr. BULKLEY. All right.

Mr. RAKER. Is the Hollis bill now before the House practically the Hollis-Bulkley bill with section 30 eliminated, which you are seeking to have inserted?

Mr. BULKLEY. It is practically the same.

Mr. RAKER. Then if we vote for the Bulkley amendment, it will be the bill in the shape that the Senate and House committees recommended it should be in?

Mr. BULKLEY. Yes. I refer to the subcommittees on rural credits of the House and Senate Committees on Banking and Currency.

Mr. RAKER. This section will have to go on in order that the bill may be effective?

Mr. BULKLEY. It will have to, in my opinion. If this section is not needed, it is not required to operate. There is nothing mandatory about it. It gives only that Government aid which is necessary to make the system a success. Without it we will linger long before the farmer gets any benefit, and he may never get any benefit at all. The experience of every nation in the world has been that it has been necessary for the Government to support farm credits in some financial way, either directly or indirectly. The instances pointed out by the gentleman from Indiana [Mr. MOSS], where private institutions have successfully competed with Government-aided institutions and produced a low interest rate, were instances where the low-interest rate did not come about except by competition with State-aided institutions.

In Germany there are a few institutions that do not receive State aid which are giving satisfactory service to the borrower, but they are operating alongside of State-aided institutions and under competition that effectively brings their interest rate down.

I can not discuss this matter as fully as it ought to be discussed here. I have discussed it heretofore for an hour and a half in an extended speech in this House, and I simply close now by appealing to every friend of Government aid in any form, whether he is for the McCumber amendment or the Hollis amendment, to at least help us perfect this Hollis amendment; to help us put Government aid in a well-considered bill in a well-considered manner. [Applause.]

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. RUBEN rose.

Mr. LEVER. Mr. Chairman, I ask unanimous consent that all debate on this amendment and amendments thereto close in five minutes, two minutes to be controlled by the gentleman from Missouri [Mr. RUBEN], two minutes by the gentleman from Oklahoma [Mr. FERRIS], and one minute by myself.

Mr. MOSS of Indiana. Does this simply insert section 30?

Mr. BULKLEY. Yes; it is simply to insert section 30.

Mr. MOSS of Indiana. And not to strike out anything?

Mr. LEVER. No.

The CHAIRMAN. The Chair will ask the gentleman if he intended to offer his amendment as section 30, or as section 31?

Mr. BULKLEY. That is immaterial. I do not care about the numbering of the section.

The CHAIRMAN. It will naturally come in as section 31.

Mr. BULKLEY. The section has been generally known and discussed as section 30. It will of course be a new section.

Mr. RUBEN. Mr. Chairman and gentlemen, I desire to take just about a minute or two for the purpose of stating my position upon the rural-credit proposition.

I feel the same regret which has been almost unanimously expressed here this evening, that we have had to take so short a time for the discussion of such an important measure. This bill was referred to the Committee on Agriculture, and we gave to it as much time as we possibly could under the circumstances surrounding the case.

There are two ideas represented here this evening. Some of you gentlemen are conscientiously opposed to Government aid to rural credits. There are those who believe that a rural credit bill without Government aid will not amount to anything. I am in favor and have always been in favor of Government aid in a rural credit bill, and I shall heartily support the amendment offered by the gentleman from Ohio. [Applause.]

[Mr. FERRIS addressed the committee. See Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. BULKLEY].

The question was taken, and the Chairman announced that the ayes appeared to have it.

On a division (demanded by Mr. MOORE) there were—ayes 157, noes 44.

Accordingly the amendment was agreed to.

Mr. BULKLEY. Mr. Chairman, I offer a further amendment.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

The Clerk read as follows:

Page 69, after line 22, insert the following:

"To recommend to the Secretary of the Treasury the purchase of farm-loan bonds subject to the provisions of this act."

Mr. BULKLEY. Mr. Chairman, this amendment is the corollary of the amendment just adopted. Each should go with the other. It was stricken out of the Bulkley-Hollis bill by the Committee on Banking and Currency at the time it struck out section 30. This should go back when section 30 goes back.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The amendment was agreed to.

Mr. BULKLEY. Mr. Chairman, I offer the further amendment.

The Clerk read as follows:

Pages 78, 79, and 80, strike out section 17.

Mr. LEVER. Mr. Chairman, before the gentleman from Ohio proceeds, I think that this amendment will provoke some debate. I ask unanimous consent that debate on this amendment close in 10 minutes, 5 minutes to be controlled by the gentleman from Ohio [Mr. BULKLEY] and 5 minutes by the gentleman from Indiana.

The CHAIRMAN. Is there objection to the request of the gentleman from South Carolina? [After a pause.] The Chair hears none.

Mr. MOORE. Mr. Chairman, reserving the right to object, I would like to know if the two gentlemen are both in favor of the amendment?

Mr. LEVER. No; one is against it and one for it. Mr. Chairman, I see that my friend from New York [Mr. PLATT], on the Banking and Currency Committee, wishes for a minute, and one other gentleman wishes a minute. I will modify my request by making it 12 minutes.

The CHAIRMAN. Is there objection to the modification mentioned by the gentleman from South Carolina?

There was no objection.

Mr. BULKLEY. Mr. Chairman, this amendment proposes to strike out a section which is not a part of the original bill. Section 17 provides for the incorporation of private institutions, each with a capital of not less than \$250,000, to do business in competition with the local farm-loan associations which are created by the bill.

The farm-loan associations would be cooperative associations, owned and controlled by the farmers who are borrowers from the system. These banks which are proposed by section 17 would be money-making institutions.

There are two principal objections to having such institutions brought in competition with local farm-loan associations. The first is that if they did any business at all they would be taking it away from the local institutions; they would then be dividing the field, and therefore relatively increasing the overhead expenses of the local institutions which are owned and controlled by the farmers themselves.

But a more fundamental objection than that may be urged against these \$250,000 private banks. It is this: The original Hollis-Bulkley bill contemplated a complete system without anybody interested in raising interest rates. Everybody connected with the system would be interested in reducing the rates of interest to the farmers, who are the borrowers. But if this section 17 is written into the bill, you at once have great and powerful institutions, with heavy financial backing, who are interested in a direction opposite to the interests of the farmers. They are interested in keeping the interest rates high as against the interest of the farmers.

The new Hollis bill proposes too many of these institutions competing with each other in the bond market. In the original bill the bonds would have a national market and all farm-loan bonds would be the same throughout the United States. All would sell at the lowest possible interest rate. Under this amendment as proposed in the new Hollis bill 48 institutions would be competing with each other for the market. There would be 48 different classes of bonds, and the investor would be confused, and there would be room for commissions and rake-offs for brokers.

Mr. BORLAND. Will the gentleman yield?

Mr. BULKLEY. Certainly.

Mr. BORLAND. Would not such competition bring down the rates to the farmers?

Mr. BULKLEY. It might under peculiar circumstances, but we believe that the creation of farm-loan associations under the control of farmers themselves, with the possibility of competition between such farmers' institutions, would be sufficient. We do not provide a monopoly for one farm-loan association. If the territory is big enough to afford a large enough field, there may be two local associations or more operating in the same county. We believe that interest rates will be brought down by those who are interested in bringing them down more than by competition on the part of those who have a selfish interest in keeping the rates up.

Mr. Chairman, I want to emphasize again the importance of having bonds of one issue, so that the investor will know what he is getting when he buys a farm-loan bond. Do not have 48 different institutions competing against each other in the bond market.

The gentleman from Indiana says that the farmers will get up these institutions. Does anybody suppose that a farmer will get up an institution with a capital stock of \$250,000?

The truth of it is that the \$250,000 minimum capital stock is too large for a farmers' institution, and yet it is too small to command public confidence in its bond issue. It will not be comparable to the Pennsylvania Railroad, a comparison which the gentleman from Indiana [Mr. Moss] makes. The Pennsylvania Railroad Co. has a basis for its bond issues much larger than the \$250,000 contemplated for these banks.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. PLATT. Mr. Chairman, this afternoon when I spoke for a few moments on this bill the gentleman from Missouri [Mr. RUBEY], a member of the Committee on Agriculture, interrupted me and asked me if I did not know that the whole Moss bill was included in this report from the Committee on Agriculture. I said I did not. The provision on pages 78 and 79 is all there is from the Moss bill. They now propose to strike that out. That shows how much sincerity there is in the proposition. The only thing to do is to vote down this whole committee report. Anybody who believes in Government aid ought to vote for the McCumber proposition, pure and simple. Those who do not believe in it with this section out have practically nothing left to vote for. I am strongly against this amendment.

Mr. BATHRICK. Mr. Chairman, I ask unanimous consent to speak on this amendment for just two minutes. [Cries of "Vote!"]

The CHAIRMAN. The gentleman asks unanimous consent to speak for two minutes on this amendment. Is there objection? [After a pause.] The Chair hears none.

Mr. BATHRICK. Mr. Chairman, I will tell the committee what this means. This means that the very people who will organize with big capital are those who have been putting the burden of high interest rates upon the farmers of this country. And more than that. They can loan 20 times the \$250,000 under this bill. Each one of these concerns can loan \$5,000,000. What more do they get? They can get their stock or surplus or profits released from taxation in every form under this bill, and this is the very thing they have been trying to get in this bill from start to finish; something to let these big capitalists and monopolists get control of farm credit. That is what they have been trying to do. This amendment ought to be voted up. These quarter-million banks ought not to have these rights in this bill, if you are going to have a farmers' bill. The exemption privileges were never intended for private capital in farm credit to this extent.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio.

The question was taken and the Chairman announced the noes seemed to have it.

On a division (demanded by Mr. BULKLEY and Mr. RAGSDALE) there were—ayes 130, noes 81.

So the amendment was adopted.

Mr. BULKLEY. Mr. Chairman, I offer a further amendment.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 48, line 16, after the word "thereby" strike out the rest of the paragraph.

Mr. BULKLEY. Mr. Chairman, this amendment is a corollary to the last one adopted and strikes out the reference to these farm bond banks.

The question was taken, and the amendment was agreed to.

Mr. BULKLEY. Mr. Chairman, I offer a further amendment.

The CHAIRMAN. The Clerk will report it.

The Clerk read as follows:

Page 97, line 9, after the word "stockholder" strike out the rest of the line and all of line 10.

Mr. BULKLEY. Mr. Chairman, this is the same sort of amendment that strikes out another reference to farm bond banks, and that completes it.

The question was taken, and the amendment was agreed to.

Mr. BULKLEY. Mr. Chairman, I offer a further amendment.

The Clerk read as follows:

Page 74, strike outlines 4 to 11, inclusive.

Mr. BULKLEY. Mr. Chairman, I ask unanimous consent that the Clerk read the matter proposed to be stricken out.

The CHAIRMAN. Without objection, the Clerk will report the matter to be stricken out.

The Clerk read as follows:

Page 74, line 4: "Whenever subscriptions to stock by farm loan associations under the provisions of section 12 would increase the total capital stock of the Federal land bank beyond \$500,000 if issued, and any stock of said bank is then held by the United States Treasury, an amount of such Treasury stock equal to such excess shall be paid for and canceled, and in lieu thereof a similar amount of stock shall be issued to the subscriber."

Mr. BULKLEY. Mr. Chairman, I will try to explain briefly the effect of this. It is required by the Hollis bill that every local land loan association shall be a stockholder in the Federal land bank of its district. It is further required that, if the local associations and the public do not subscribe a sufficient amount of stock in any Federal land bank to make the minimum of \$500,000, the United States Treasury shall subscribe for the unsubscribed balance.

The language which I now propose to strike out provides that if after the minimum amount has been subscribed and then additional subscriptions come in from the local associations of the district, making the capital stock in amount larger than the minimum, the Treasury must cancel its stock and it must be paid off so that the stock shall be kept down to \$500,000. Now, this is not an amendment of very great importance, but it seems to me that if additional subscriptions come in from the local loan associations, it simply means that the Federal land bank is doing a good business and is filling a need in the community. Under those circumstances it seems to me that the Government may well allow its investment to stand. We must remember that the total amount that the Government could possibly be called upon to subscribe for all the land banks together is somewhat less than \$6,000,000, so that it can not be a matter of great consequence to the Treasury.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. BULKLEY].

The question was taken, and the amendment was agreed to.

Mr. MORGAN of Oklahoma. Mr. Chairman, I desire to offer an amendment.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amend by inserting after the word "expenses," before the period in line 7, page 49, the following "And shall hold his office for a period of four years."

Mr. MORGAN of Oklahoma. Mr. Chairman, I would like to have the attention of the chairman of the committee. I have carefully examined section 3 and the entire bill, and nowhere is there any provision to limit the term of office of the commissioner of the land credit commission. Now, I do not suppose you want him to hold office for life, and I think it is an oversight.

Mr. LEVER. I will say to the gentleman that we have no objection to his amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. MORGAN].

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The question is on agreeing to the substitute.

Mr. ANDERSON. Mr. Chairman—

The CHAIRMAN. The gentleman from Minnesota [Mr. ANDERSON] is recognized.

Mr. ANDERSON. I desire to offer an amendment to the original text of the McCumber amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk proceeded to read as follows:

Page 88 of the printed bill with the Senate amendment, line 13—

Mr. RAGSDALE. Mr. Chairman, a point of order. Are we now considering the McCumber bill? How can we be offering this amendment if we are not?

The CHAIRMAN. The question is on the substitute to the McCumber bill now.

Mr. MANN. Mr. Chairman, the amendment to the McCumber amendment is in order at this time when a gentleman is recog-

nized for that purpose. Both propositions are open to amendment, the Senate amendment and the committee amendment, whenever any gentleman is recognized to offer an amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota [Mr. ANDERSON].

Mr. ANDERSON. The amendment has not been reported as yet.

The CHAIRMAN. The Clerk will report the amendment.

Mr. RAGSDALE. A point of order, Mr. Chairman. I should like my point to be ruled upon.

The CHAIRMAN. The gentleman will state his point of order.

Mr. RAGSDALE. As I understand, we are not considering the McCumber amendment at this time, but considering the amendment reported out by the Committee on Agriculture. How can we consider an amendment to the McCumber amendment, which is not under consideration?

Mr. BATHRICK. Mr. Chairman, I want to say a word about that.

Mr. MURRAY. Mr. Chairman, I want to talk on the point of order. The committee offers a substitute to the Senate amendment. That substitute, of course, must be perfected. When perfected it should be voted upon as a substitute to the Senate amendment. If voted down, then other amendments may be offered to the Senate amendment.

Mr. LENROOT. Mr. Chairman—

Mr. PARKER of New Jersey. Mr. Chairman—

Mr. RAGSDALE. A point of order, Mr. Chairman.

The CHAIRMAN. The gentleman from South Carolina has raised the point of order, and that is being considered.

Mr. RAGSDALE. As I understood it, we went into the Committee of the Whole House for the purpose of considering the resolution that was reported back from the Committee on Agriculture. Now, then, while we are in that committee can we consider an amendment that has not been reported from that committee?

Mr. BATHRICK. A parliamentary inquiry, Mr. Chairman.

Mr. PARKER of New Jersey. Mr. Chairman—

The CHAIRMAN. The gentleman from New Jersey is recognized.

Mr. PARKER of New Jersey. I desire to say, Mr. Chairman, that the orderly proceeding, it seems to me, would have been to perfect the original matter to which the substitute was offered before perfecting the substitute. We have taken the unusual course, out of order, of perfecting the substitute first; but that does not make it out of order to perfect the original matter for which the substitute is offered.

The CHAIRMAN. That is exactly what the Chair ruled. This is the first amendment that has been offered to the Senate amendment. The gentleman from Minnesota [Mr. ANDERSON] offers an amendment to that for the purpose of perfecting it, and that amendment the Chair declares in order.

Mr. MANN. An amendment to either one is in order when a person is recognized for that purpose.

Mr. BATHRICK. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. BATHRICK. I have an important amendment to be offered to the House substitute.

Mr. MANN. That will still be in order.

The CHAIRMAN. The Chair will recognize the gentleman.

Mr. BATHRICK. I offer the following amendment, then.

The CHAIRMAN. The Chair does not recognize the gentleman to offer the amendment now.

Mr. BATHRICK. I thought the Chair said I had been recognized.

Mr. MANN. He will be recognized.

The CHAIRMAN. The Clerk will report the amendment offered by the gentleman from Minnesota [Mr. ANDERSON].

The Clerk read as follows:

Page 88, line 13, after the word "bearing," insert the following: "Interest at such rate as may be fixed by the commissioners of farm credits, not exceeding"; and strike out the word "interest," in line 14, so that the lines as amended will read: "That whenever the bureau of farm credits shall have received such mortgages to the extent of \$1,000,000, it shall issue bonds in the name of the United States, payable in 20 years and bearing interest at such rate as may be fixed by the commissioners of farm credits, not exceeding 4½ per cent interest, payable annually," etc.

Mr. ANDERSON rose.

The CHAIRMAN. The gentleman from Minnesota is recognized.

Mr. ANDERSON. Mr. Chairman, I do not know what action the House will take as to the Hollis-Bulkley-Moss proposition and the McCumber proposition. But it is perfectly obvious that, whatever action the House does take as between the two, they both ought to be perfected before the House takes any action.

There are some obvious defects in the McCumber proposition which ought to be corrected, and the one which I seek to correct by this amendment is one of them. The McCumber amendment provides that whenever the bureau of farm credits shall receive such farm mortgages to the extent of \$1,000,000 it shall issue bonds in the name of the United States payable in 20 years and bearing $4\frac{1}{2}$ per cent interest.

Now, it is perfectly obvious that there can be no sound reason for fixing the rate of interest upon these Government bonds at $4\frac{1}{2}$ per cent. It is perfectly obvious that doing so would depreciate the price of all the bonds that the Federal Government has already issued. The only purpose which my amendment has is to permit the commissioner of farm credits to fix a lower rate than $4\frac{1}{2}$ per cent if the bonds can be sold at that lower rate. The result will simply be that, by an amendment which I intend to offer later, if the bonds can be sold, as they can, at a rate lower than $4\frac{1}{2}$ per cent, the farmer in asking for a loan will get the benefit of a lower rate also.

It is my purpose also to offer an amendment later, if this amendment shall be adopted, providing that the bonds may be sold for an amount in excess of the face value. In other words, this proposition now provides that the bonds provided for by the McCumber substitute must be sold at their par value. Of course, if the Government can get more than par from the sale of its bonds, it ought to do it. That is a perfectly apparent proposition, as is the other proposition that if it can sell the bonds at a lower rate of interest than $4\frac{1}{2}$ per cent it should do that.

Mr. Chairman, there are other things that might be stated, but the House is tired, and I am willing to submit the proposition on that statement.

Mr. LEVER. Mr. Chairman, I will say that the committee—at least those on this side of the House—are quite ready to accept the gentleman's amendment.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. ANDERSON]. The amendment was agreed to.

Mr. ANDERSON. Now, Mr. Chairman, I offer a further amendment.

The CHAIRMAN. The gentleman from Minnesota offers another amendment, which the Clerk will report.

The Clerk read as follows:

Page 88, line 18, after the word "for," insert the words "not less than."

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota.

Mr. LEVER. Mr. Chairman, to save the time of the committee, unless the gentleman from Minnesota [Mr. ANDERSON] desires to talk, I will say that we on this side have no objection to that amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

Mr. MURRAY. Mr. Chairman, what are you amending there?

The CHAIRMAN. The McCumber amendment.

Mr. MURRAY. Have you got two questions before the House?

Mr. MANN. Yes; the two questions are before the House at the same time.

Mr. MURRAY. You can not have two questions before the House at one and the same time. You must dispose of one or the other.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Minnesota [Mr. ANDERSON].

The amendment was agreed to.

Mr. BATHRICK. Mr. Chairman, I offer the following amendment.

The CHAIRMAN. The gentleman from Ohio [Mr. BATHRICK] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. BATHRICK to the Hollis amendment: In line 3, page 66, after the word "situated," insert "but in no case shall the interest be over 6 per cent."

Mr. BATHRICK. Mr. Chairman, the crux of the whole farm-credit question is this: What is the interest rate going to be? There is nothing in the Hollis bill that indicates to anybody what the rate will be, and if you are going to pass this bill through this House you should have some limitation upon this rate. I think it is extremely liberal to the proponents of the Hollis measure to say that this interest rate shall not exceed 6 per cent. If I dared, I would make it 5 per cent. I want to get all I can. If you do not put this amendment into the bill, no borrower will know what the rate will be, and in many cases it will be far above that which I have proposed. If you wish to perfect the bill, this is the main thing to do. No bill of any

kind is worth anything without a definite interest rate. I ask for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. BATHRICK].

The question was taken; and on a division (demanded by Mr. BATHRICK) there were—ayes 114, noes 23.

Accordingly the amendment was agreed to.

Mr. ANDERSON. Mr. Chairman, I offer the following amendment to the McCumber bill.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON:

On page 85 of the McCumber amendment, line 7, strike out the words "at the rate of 5 per cent per annum" and insert "at such rate, not exceeding 5 per cent per annum, as the commissioner of farm credits may fix."

Mr. LEVER. We will accept that amendment.

The CHAIRMAN. The question is on the amendment.

The affirmative vote was taken.

[Mr. WINGO addressed the committee. See Appendix.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. WINGO and Mr. CARAWAY) there were—153 ayes, 42 noes. So the amendment was agreed to.

Mr. McLAUGHLIN. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Amendment by Mr. McLAUGHLIN to the Hollis amendment:

Page 49, line 6, strike out "\$12,000" and insert "\$7,500."

Mr. McLAUGHLIN. Mr. Chairman, this amendment is offered for the purpose of providing a reasonable salary for the farm-loan commissioner.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Michigan.

The question was taken, and the amendment was agreed to.

Mr. ANDERSON. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Amendment to the McCumber amendment:

Page 85, line 10, strike out the words "rate of 5 per cent per annum," and insert in lieu thereof "the same rate as the principal note:"

Mr. ANDERSON. Mr. Chairman, this amendment simply provides, in accordance with the interest on the coupon note in case the interest of the principal note should be less than 5 per cent, that they shall be the same as the interest on the principal note. It makes the interest of the coupon note the same as the interest on the principal note.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken, and the amendment was agreed to.

Mr. ANDERSON. Mr. Chairman, I offer the following amendment:

The Clerk read as follows:

Page 90, line 10, after the word "appropriate," insert "Provided, That not more than \$30,000,000 of such bonds shall be issued in any one year."

Mr. ANDERSON. Mr. Chairman, in the bill in the form in which my genial friend from Arkansas [Mr. WINGO] desires to have it, and as it is now, would permit the farm-credit bill provided by the McCumber amendment to issue bonds in an absolutely unlimited amount. Of course that may be a good thing from the standpoint of the gentleman from Arkansas, but it does not seem to me to be a good thing from the standpoint of the United States. The amendment I propose limits the amount of bonds which can be issued in any one year to \$30,000,000.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. ANDERSON) there were—ayes 41, noes 100.

So the amendment was rejected.

The CHAIRMAN. The question now is on the amendment offered by the committee as amended.

Mr. HEFLIN. Mr. Chairman, I want to say a word just here to gentlemen who really want farm-credit legislation, that this bill, as amended by the Bulkley provision of Government aid, is the best thing in sight for the farmers of America. It furnishes aid as the Government now gives aid to the national banking system. I am heartily in favor of a rural credit system, and I made a speech in this House not long ago in favor of such legislation. [Applause.]

I think it best at this late hour in the session that we take the bill that has been unanimously reported by the Senate

Banking and Currency Committee. The McCumber proposition that came to this House was not considered by the Senate. There were only a half dozen Senators present, I understand, when it passed the Senate, and when it did come to us, the Senate, Democrats and Republicans, who really desired to have a rural credits bill that had something in it, met, and the Committee on Banking and Currency over there unanimously, I am told, reported the bill that came to us; and the Committee on Agriculture, of which I am a member, unanimously reported that bill to this House; and since we have had it under consideration here I have voted for amendments to perfect it, and stated in the committee that I would vote them. Mr. Chairman, we have put upon it the Bulkley amendment which I supported. [Applause.] It has got the Government-aid proposition in it, and I want to say to gentlemen here if you vote for the McCumber substitute, you vote for something that is doomed, for the President has already said that he would veto it, and you know that it is useless to follow that crude and unfinished measure further, because the newspapers this morning said that the President would veto the McCumber bill in its present shape. I do not know. I have not seen or talked with the President about this matter, but I do not believe that he would veto the Bulkley-Hollis bill as here amended.

Mr. MURRAY. Mr. Chairman, will the gentleman yield?

Mr. HEFLIN. I can not yield.

Mr. McLAUGHLIN. Mr. Chairman, will the gentleman yield to me?

Mr. HEFLIN. No; I have only five minutes.

Mr. NORTON. Mr. Chairman, will the gentleman yield to me?

Mr. HEFLIN. I can not yield. I trust that you gentlemen will not be misled into voting for a measure at this time that you yourselves believe will be vetoed, when, by voting for this measure, we have a chance to get the legislation desired.

Mr. CALLAWAY. Did not the President get the Bulkley amendment out of this Hollis bill? [Laughter.]

Mr. HEFLIN. I know nothing about that, and I have heard nothing of it.

Mr. CALLAWAY. Well, I have.

Mr. HEFLIN. The gentleman's information may not be correct, but I will state this, Mr. Chairman: I do not believe he would veto this substitute that we have here as amended by the Bulkley amendment. I believe when you get this bill in the committee of conference, unanimously reported by the Banking and Currency Committee in the Senate and unanimously reported by a House committee and acted on by this House, amended with the Bulkley provision, you will find there will be an effort on the part of Members in both branches of Congress to secure farm-credit legislation; and do not you gentlemen hug to your breast the delusion that you can go down fighting for the McCumber amendment and go out and say that you fought for a rural-credit system, when you are tied to something that you know now is going to be defeated. If you want a farm-credit system, vote for this bill as amended. It has got meat in it. Send it to the conference committee, and let us try to work out something that is good for the farmers of this country. Now, here is a bill indorsed by farmers' union men and others interested in the establishment of a genuine farm-credit system. It has in it aid and encouragement by the Federal Government and an amendment saying that you shall not charge the farmer more than 6 per cent interest. I shall count it a great victory for the friends of farm-credit legislation if this House shall go on record to-night as having passed the bill that contains these two propositions. I am in favor of giving the same encouragement and aid to the farm-credit system that the Government now gives to the commercial banking system. The farmers of America are entitled to this much, and they ask no more, and I appeal to all gentlemen who really want this legislation at this time to vote for this bill. [Applause.]

Mr. MANN. Mr. Chairman, the gentleman from Alabama [Mr. HEFLIN] made one of the most remarkable statements that I have ever heard made in this House. He said that the President has said that he would veto a bill if it passed in a certain manner.

Mr. HEFLIN. Mr. Chairman, will the gentleman yield?

Mr. MANN. Yes.

Mr. HEFLIN. I said the statement was in the newspaper. I heard he had said it.

Mr. MANN. The gentleman said exactly what I say he said.

Mr. HEFLIN. But I said later that I had not talked to him, and stated that the newspaper said that he said it.

Mr. MANN. Mr. Chairman, the gentleman said that the President had said that he would veto the bill, and when we challenged by our attitude such a statement the gentleman crawled.

Mr. HEFLIN. The gentleman did not crawl and never crawfishes. [Laughter.]

Mr. MANN. Mr. Chairman, the gentleman then endeavored to explain that the newspaper said so. I want to know whether it is true. Has the President said, for the purpose of improperly influencing the action of this Congress, that he will veto a measure before it has been presented to him? I do not believe that the President would so belittle his position. He has the right to determine, when a bill is passed and presented to him, whether he will veto it; but he has no right to say in advance, by a threat to Congress, that if Congress passes a certain measure in a certain manner he will veto it. [Applause.] I challenge the statement of the gentleman from Alabama that the President has made any such statement. [Applause.]

Mr. HEFLIN. Mr. Chairman, I stated in the outset that I had understood the President had said he would veto it, and the Washington Post contained a statement to that effect this morning; and I said later, qualifying my statement, that I had not talked with the President, but that it was rumored around here that he had said it, or that he had said that he would veto the bill. I think gentlemen here believe that he would veto it; and I was simply appealing to them to vote for a bill that had a chance, because the Banking and Currency Committee in the Senate is back of it and our committee unanimously reported it, and it has been perfected by amendments, with the Bulkley provision in it; and gentlemen have an opportunity to vote for a bill that has got something in it, in spite of all this falderal that the gentleman from Illinois [Mr. MANN] has undertaken to inject into the debate. [Applause.]

Mr. NEELEY of Kansas. Will the gentleman yield for a question? [Cries of "Vote!"]

Mr. LEVER. Mr. Chairman—

The CHAIRMAN. The Chair had recognized the gentleman from Kansas.

Mr. NEELEY of Kansas. Mr. Chairman, I wanted to ask my good friend [Mr. HEFLIN] a question or two, but he sat down before I got the chance. I desire to make a statement now. When we were considering the currency bill here the same newspapers that stated a few days ago that the President would veto rural-credit legislation then stated that he would veto the currency bill. The proof of the pudding is in the chewing in the bag. He did no such thing, and I do not believe that the newspapers have any more authority to make the statement that he would veto the result of the deliberations of this Congress on this subject than they then had to make the statement that he would veto the currency bill then; but even if we assume that statement to be true we are in exactly the same fix with the Bulkley amendment as we are with the McCumber amendment. I saw the statement the gentleman referred to, and the same paragraph of the same newspaper that stated that he would veto the McCumber bill stated in substance and in effect that he would veto any kind of legislation that had behind it the proposition of Government aid, and that is all there is in this Bulkley amendment. I do not believe the President will do any such thing; but if the President does it is a matter for him and his splendid good conscience to decide. It is the duty of this House to do its duty as it sees that duty, and to enact legislation that ought to be enacted, and it is likewise the duty of the President to approve or reject legislation as duty marks the way, and I am sure that he desires this to be done. [Applause.] That is the demand the people of my district and my State make. That was the demand of the Democratic caucus participated in by my splendid friend from Alabama, and it was an unanimous demand, voted for by every man who sat in that caucus; voted for by the splendid chairman of this committee, who made two of the best speeches in behalf of rural-credit legislation that were made in that three weeks caucus.

Now, if gentlemen say that simply because the Democrats have been caught asleep, because that is the situation [laughter on the Republican side], they were asleep on the proposition of rural-credits legislation, and McCUMBER put his amendment in and "slipped it over" on them, by which means it comes as an amendment in this bill, then I say let us put the McCumber amendment in this bill and start the work along at this time, trusting its future to the usual orderly consideration.

Mr. HEFLIN. Will the gentleman yield?

Mr. NEELEY of Kansas. I do.

Mr. HEFLIN. I just want to ask my friend if he does not think it would be wise to adopt this Hollis-Bulkley-Moss-Fletcher proposition of Government aid furnished by section 30 that BULKLEY put into the bill? Does not the gentleman think that the bill which was worked on for nearly two years is a better proposition than the unfinished, crude McCumber proposition?

Mr. NEELEY of Kansas. Well, I think that the Hollis-Bulkley bill has 50 or 60 pages containing a lot of machinery designed to get some kind of rural-credit legislation. It has not been digested by the House and very few understand its provisions; and I think that while the McCumber proposition is crude, and while it may be couched in language that perhaps in some instances ought not to obtain, it gets the meat out of the coconut, and that is what the people of my State want; they want relief, and they want it at once. They do not want a lot of high-sounding phrases that simply provide a lot of machinery and get no results. We want business. I hope the Bulkley-Hollis amendment will do this, but I am not as well satisfied with that as I am with the McCumber amendment, and believe this will help, and then the next Congress can take more time to fix it and make such amendments as may be necessary. I believe this is as easy as to swallow all of this amendment, which few Members understand. I am for action now and making repairs afterwards.

Mr. LEVER. Mr. Chairman, I move to close all debate on Senate amendment 89 and all amendments thereto, including the substitute.

The CHAIRMAN. Does the gentleman move or ask unanimous consent?

Mr. LEVER. I move.

The CHAIRMAN. The gentleman from South Carolina moves that all debate on Senate amendment No. 89 and all amendments and substitutes thereto be closed.

The question was taken, and the motion was agreed to.

The CHAIRMAN. The question is upon the substitute offered by the committee.

Mr. CALLAWAY. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. CALLAWAY. In voting on this substitute if we vote it down, the vote then recurs on the McCumber amendment.

Mr. GORDON. As amended.

The CHAIRMAN. On the McCumber amendment as amended. The question now is on the committee substitute as amended.

The question was taken, and the Chairman announced that the ayes seemed to have it.

Mr. CALLAWAY. Division, Mr. Chairman.

The committee divided; and there were—ayes 124, noes 100.

Mr. NORTON and Mr. BRYAN demanded tellers.

Tellers were ordered.

The committee again divided; and the tellers (Mr. LEVER and Mr. NEELEY of Kansas) reported—ayes 160, noes 99.

So the substitute as amended was agreed to.

Mr. LEVER. Mr. Chairman, I move that the committee do now rise and report the bill back—

Mr. MANN. Mr. Chairman, the Senate amendment has not yet been agreed to as amended by the substitute.

The CHAIRMAN. The question is on the Senate amendment as amended.

The Senate amendment as amended was agreed to.

Mr. LEVER. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that all of the Senate amendments be disagreed to except Senate amendment No. 89, which shall be agreed to with the amendment adopted by the committee.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. Flood of Virginia, Chairman of the Committee of the Whole House on the state of the Union, reported that the committee had had under consideration Senate amendments to H. R. 20415, making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1916, and had directed him to report the same back to the House with the recommendation that all of said amendments except Senate amendment No. 89 be disagreed to, and that this amendment be concurred in with an amendment.

Mr. LEVER. Mr. Speaker, upon that I move the previous question on the bill and all amendments thereto.

The SPEAKER. The gentleman from South Carolina moves the previous question on all amendments to their final disposition.

Mr. LEVY. A parliamentary inquiry, Mr. Speaker.

The SPEAKER. The gentleman will state it.

Mr. LEVY. Can you strike out of amendment No. 89 the Bulkley amendment?

The SPEAKER. Not when the motion for the previous question is pending. The question now is on ordering the previous question.

The previous question was ordered.

Mr. WINGO. Mr. Speaker, I offer a motion to recommit.

Mr. MURDOCK. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MURDOCK. At this point does not the Speaker ask if there is a separate vote desired on the different amendments?

Mr. MANN. A motion to recommit has been offered.

The SPEAKER. You have to dispose of the motion to recommit first. The Chair has studied a good deal on this subject.

Mr. GARDNER. Mr. Speaker—

The SPEAKER. The gentleman from Massachusetts is recognized.

Mr. GARDNER. At the proper time I wish to raise a point of order against any motion to recommit.

The SPEAKER. Right now is the time.

Mr. GARDNER. Before the motion is read?

The SPEAKER. Well, the Clerk will report the motion.

The Clerk read as follows:

Mr. WINGO moves to recommit the bill to the Committee on Agriculture, with instructions to report forthwith Senate amendment No. 89, known as the McCumber amendment, without amendment, as a substitute for the amendment reported to the House.

Mr. LEVER. Mr. Speaker, upon that I move the previous question.

Mr. GARDNER. Mr. Speaker—

The SPEAKER. The Chair will regard the motion as made and will put it at the proper time.

LEAVE OF ABSENCE.

Mr. TAYLOR of Alabama, by unanimous consent, was granted leave of absence, indefinitely, on account of sickness.

AGRICULTURE APPROPRIATION BILL.

The SPEAKER. The gentleman from Massachusetts [Mr. GARDNER] is recognized.

Mr. GARDNER. Mr. Speaker, the general practice of a motion to recommit under general parliamentary law is that it shall not be in order after the previous question. But the practice grew up because it was found that we considered bills in such a narrow way that there was only one amendable stage.

The House was given an extra stage for a record vote, for a last glance, by a motion to recommit after the previous question was ordered. That was done because it was found that the House was in the habit of ordering the previous question without much thought. Therefore this new stage in the consideration of a bill when it first went through the House, the equivalent of an extra reading, as it were, was allowed. That is allowed by two rules; first by section 4 of Rule XVI, which reads:

After the previous question shall have been ordered on the passage of a bill or joint resolution—

This is not a bill or joint resolution, with the question of passage pending, but a question of agreeing to a certain amendment—

one motion to recommit shall be in order, and the Speaker shall give preference—

And so forth.

That is Rule XVI, section 4. Now, there is another rule of the House under which a motion to recommit is permissible after the previous question is ordered. It is Rule XVII, paragraph 1. The last sentence of that paragraph reads:

It shall be in order, pending the motion for, or after the previous question shall have been ordered on its passage—

This is not the question of the passage; this is a question of agreeing to a Senate amendment—

for the Speaker to entertain and submit a motion to recommit, with or without instructions, to a standing or select committee.

In other words, Mr. Speaker, this is not a case for one of these extra stages. They are not separate readings, first, second, and third, motions to engross, and so forth, but a plain question of agreeing to a Senate amendment. It is not a question needing a successive stage.

Now, Mr. Speaker, there is only one decision, so far as I know, bearing on the question at all. That is No. 5573 in Hinds' Precedents. No. 5575, since my attention has been called to it, seems to be in point—5575, which entirely escaped my observation, which is in point, but entirely contrary to the view I entertained.

The SPEAKER. By analogy there must be some place, somewhere, to make the motion to recommit. The question now is on the motion for the previous question on the motion to recommit.

The question was taken, and the previous question was ordered on the motion to recommit.

Mr. WINGO. Now, Mr. Speaker, I demand the yeas and nays on the motion to recommit.

The SPEAKER. The gentleman from Arkansas [Mr. WINGO] demands the yeas and nays on the motion to recommit. Those in favor of ordering the yeas and nays will rise and stand until they are counted. [After counting.] Seventy gentlemen have

risen in favor of the yeas and nays—a sufficient number, and the Clerk will call the roll.

Mr. MANN. Mr. Speaker, I ask unanimous consent that the motion to recommit may again be reported.

The SPEAKER. Without objection, the motion to recommit will again be read.

The motion to recommit was again read.

The SPEAKER. The Clerk will call the roll. Those in favor of the motion to recommit will vote "yea"; those opposed will vote "nay."

The question was taken; and there were—yeas 89, nays 239, answered "present" 1, not voting 94, as follows:

[Roll No. 96.]

YEAS—89.

Abercrombie	Eagle	Kelly, Pa.	Rupley
Anthony	Edmonds	Kiess, Pa.	Sells
Aswell	Edwards	Kinkaid	Sisson
Austin	Esch	Knowland, J. R.	Sloan
Barton	Falconer	Kreider	Stephens, Miss.
Bathrick	Farr	Lafferty	Stephens, Tex.
Bell, Cal.	Floyd, Ark.	La Follette	Summers
Browne, Wis.	Fowler	Langley	Sutherland
Bryan	French	Lindbergh	Switzer
Buchanan, Ill.	Garner	McKellar	Tavener
Burnett	Garrett, Tex.	MacDonald	Taylor, Ark.
Callaway	Goodwin, Ark.	Manahan	Taylor, Colo.
Campbell	Goulden	Morgan, Okla.	Thomas
Caraway	Hart	Murdock	Thompson, Okla.
Carter	Helvering	Murray	Tribble
Connelly, Kans.	Henry	Neeley, Kans.	Vaughan
Cramton	Hughes, Ga.	Nolan, J. I.	Wingo
Crisp	Hulings	Norton	Witherspoon
Curry	Jacoway	Oldfield	Woods
Davenport	Johnson, Ky.	Porter	Young, N. Dak.
Dillon	Johnson, Utah.	Powers	
Donohoe	Johnson, Wash.	Prouty	
Doolittle	Keating	Quin	

NAYS—239.

Adair	Doughton	Kent	Rayburn
Adamson	Drukker	Kettner	Reilly, Wis.
Aiken	Dupré	Key, Ohio	Rogers
Alexander	Eagan	Kitchin	Rothermel
Allen	Ferris	Konop	Rouse
Anderson	Fess	Korbly	Rubey
Ashbrook	Fields	Langham	Rucker
Baker	Finley	Lazaro	Russell
Baltz	Fitzgerald	Lee, Ga.	Sabath
Barchfeld	FitzHenry	Lee, Pa.	Saunders
Barkley	Flood, Va.	Lenroot	Scott
Bartlett	Fordney	Lever	Scully
Beakes	Foster	Levy	Seldomridge
Beall, Tex.	Frear	Lewis, Md.	Sherley
Bell, Ga.	Gallagher	Lieb	Sherwood
Blackmon	Gallivan	Linthicum	Sims
Booher	Gard	Lloyd	Sinnott
Borchers	Gardner	Lobeck	Small
Borland	Garrett, Tenn.	Logue	Smith, Idaho
Brockson	Gill	Loneragan	Smith, J. M. C.
Brodbeck	Gilmore	McAndrews	Smith, Minn.
Broussard	Gittins	McGillcuddy	Smith, N. Y.
Brown, N. Y.	Glass	McKenzie	Smith, Saml. W.
Brown, W. Va.	Godwin, N. C.	McLaughlin	Smith, Tex.
Browning	Goeke	Madden	Sparkman
Brumbaugh	Goldfogle	Maguire, Nebr.	Stafford
Buchanan, Tex.	Gordon	Mahan	Stedman
Bulkley	Graham, Ill.	Mann	Stephens, Cal.
Burgess	Graham, Pa.	Mapes	Stevens, Minn.
Burke, S. Dak.	Gray	Martin	Stevens, N. H.
Burke, Wis.	Green, Iowa	Metz	Stone
Butler	Greene, Mass.	Miller	Stout
Byrnes, S. C.	Greene, Vt.	Mitchell	Stringer
Byrns, Tenn.	Gregg	Mondell	Taggart
Calder	Griest	Montague	Talcott, N. Y.
Candler, Miss.	Griffin	Moore	Temple
Cantor	Hamilton, Mich.	Morgan, La.	Thacher
Cantrill	Hamilton, N. Y.	Morrison	Towner
Carlin	Hamlin	Moss, Ind.	Townsend
Casey	Harrison	Mott	Treadway
Church	Haugen	Neely, W. Va.	Tuttle
Clancy	Hawley	Oglesby	Underhill
Cline	Hayden	Padgett	Underwood
Coady	Hayes	Page, N. C.	Vare
Collier	Heilin	Paige, Mass.	Vinson
Connolly, Iowa	Helgesen	Palmer	Vollmer
Conry	Helm	Park	Volstead
Cooper	Hinds	Parker, N. J.	Walker
Copley	Holland	Parker, N. Y.	Wallin
Cox	Houston	Patten, N. Y.	Walsh
Cullop	Howard	Patton, Pa.	Watkins
Danforth	Howell	Peters	Watson
Davis	Hull	Phelan	Whaley
Decker	Humphrey, Wash.	Platt	Whitacre
Deltrick	Humphreys, Miss.	Pon	Williams
Dent	Igoe	Price	Wilson, Fla.
Dickinson	Johnson, S. C.	Ragsdale	Winslow
Difenderfer	Kelley, Mich.	Rainey	Young, Tex.
Dixon	Kennedy, Conn.	Raker	
Doremus	Kennedy, Iowa	Rauch	

ANSWERED "PRESENT"—1.

Britten

NOT VOTING—94.

Ainey	Bruckner	Clark, Fla.	Donovan
Avis	Burke, Pa.	Claypool	Dooling
Bailey	Carew	Crosser	Driscoll
Barnhart	Carr	Dale	Dunn
Bartholdt	Cary	Dershem	Elder
Bowdle	Chandler, N. Y.	Dies	Estopinal

Evans	Hinebaugh	Moon	Slayden
Fairchild	Hobson	Morin	Slemp
Faison	Hoxworth	Moss, W. Va.	Smith, Md.
Fergusson	Hughes, W. Va.	Mulkey	Stanley
Francis	Jones	Nelson	Steenerson
George	Kahn	O'Brien	Stephens, Nebr.
Gerry	Keister	O'Hair	Talbott, Md.
Gillett	Kennedy, R. I.	O'Shaunessy	Taylor, Ala.
Good	Kindel	Peterson	Taylor, N. Y.
Gorman	Kirkpatrick	Plumley	Ten Eyck
Gudger	L'Engle	Post	Thomson, Ill.
Guernsey	Leshner	Reed	Walters
Hamill	Lewis, Pa.	Reilly, Conn.	Weaver
Hardy	Lindquist	Riordan	Webb
Harris	Loft	Roberts, Mass.	Wilson, N. Y.
Hay	McClellan	Roberts, Nev.	Woodruff
Hensley	McGuire, Okla.	Shackelford	
Hill	Maher	Shreve	

So the motion to recommit was rejected.

The Clerk announced the following additional pairs:

Mr. BAILEY with Mr. SLEMP.

Mr. HAY with Mr. ROBERTS of Massachusetts.

Mr. WEBB with Mr. KAHN.

Mr. CARR with Mr. AVIS.

Mr. CLARK of Florida with Mr. BURKE of Pennsylvania.

Mr. DIES with Mr. FAIRCHILD.

Mr. ESTOPINAL with Mr. GILLET.

Mr. FERGUSON with Mr. CARY.

Mr. HAMILL with Mr. GUERNSEY.

Mr. MOON with Mr. KEISTER.

Mr. REILLY of Connecticut with Mr. HINEBAUGH.

Mr. SHACKLEFORD with Mr. KENNEDY of Rhode Island.

Mr. STEPHENS of Nebraska with Mr. LEWIS of Pennsylvania.

Mr. TAYLOR of Alabama with Mr. MORIN.

Mr. CROSSER with Mr. MOSS of West Virginia.

Mr. DOOLING with Mr. NELSON.

Mr. FAISON with Mr. PLUMLEY.

Mr. BRUCKNER with Mr. SHREVE.

Mr. CAREW with Mr. STEENERSON.

Mr. HILL with Mr. HUGHES of West Virginia.

The result of the vote was announced as above recorded.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. HENRY. Mr. Speaker, I demand a separate vote on amendment numbered 89.

The SPEAKER. That is the separate recommendation of the committee. Is a separate vote demanded on any other amendment?

Mr. MANN. A parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. MANN. These amendments having been referred by the House to the Committee of the Whole House on the state of the Union and reported back as amendments, if they are disagreed to en bloc will they appear in the Record and in the Journal as amendments which are disagreed to?

The SPEAKER. The Chair thinks so; yes.

Mr. HENRY. All except amendment 89.

The SPEAKER. It seems to the Chair that the first thing to do is to put the part of the recommendation of the Committee of the Whole House on the state of the Union that all the amendments except 89 be disagreed to.

Mr. MANN. I will not ask for a separate vote upon those amendments, if they are to be inserted in the Record and Journal as disagreed to.

The SPEAKER. The Chair will direct the Official Reporters and the Journal Clerk to set them all out. All those in favor of that part of the recommendation of the Committee of the Whole that all the amendments except 89 be disagreed to will say "aye"; those opposed "no."

The question was taken, and the motion that all the amendments except 89 be disagreed to was carried.

The amendments disagreed to are as follows:

- (1) Page 3, line 12, strike out "two watchmen, at \$840 each; forty-two" and insert "forty-four."
- (2) Page 3, line 16, strike out "one carriage driver, \$600."
- (3) Page 3, line 20, strike out "\$352,280" and insert "\$351,440."
- (4) Page 3, line 23, after "clerk," insert "or photographer."
- (5) Page 3, line 24, after "clerks," where it occurs the second time, insert "or map tracers."
- (6) Page 4, line 4, after "photographer," insert "or clerk."
- (7) Page 4, line 21, strike out "\$623,360" and insert "\$622,520."
- (8) Page 4, line 25, strike out "and executive assistant, \$3,000" and insert "\$2,500."
- (9) Page 6, line 2, strike out "\$333,400" and insert "\$332,900."
- (10) Page 6, line 20, strike out "care, and purchase" and insert "and care."
- (11) Page 8, line 11, strike out "\$1,185,150" and insert "\$1,201,150: *Provided*, That not to exceed \$3,000 may be expended for the purchase or construction of an extension of the Tatoosh Island-Port Crescent telegraph line from Port Crescent to Port Angeles, Wash., about 20 miles."
- (12) Page 8, line 15, strike out "\$1,333,150" and insert "\$1,349,150."
- (13) Page 8, line 16, strike out "\$1,666,550" and insert "\$1,682,050."

(14) Page 9, lines 7 and 8, strike out "two messengers and custodians" and insert "one messenger and custodian."
 (15) Page 9, line 8, strike out "each" and insert "one messenger and custodian, \$1,000."

(16) Page 12, line 4, strike out all after "ticks," down to and including "purposes," line 8, and insert "\$448,800."

(17) Page 13, line 16, strike out "\$85,940" and insert "\$98,580."
 (18) Page 13, line 21, strike out "\$235,000" and insert "\$375,000."

(19) Page 14, line 15, strike out "\$1,816,705" and insert "\$2,019,346."

(20) Page 14, line 24, strike out "\$2,545,336" and insert "\$2,747,976."

(21) Page 15, line 15, strike out "forty-eight" and insert "forty-seven."

(22) Page 15, line 23, strike out "one clerk or artist, \$1,200" and insert "two clerks or artists, at \$1,200 each."

(23) Page 17, line 16, strike out "\$5,115" and insert "\$58,225."
 (24) Page 17, line 21, after "Control" insert "and by putting into application methods of control already discovered."

(25) Page 17, line 21, strike out "\$57,175" and insert "\$67,950."
 (26) Page 18, line 22, strike out "\$19,770" and insert "\$22,270."

(27) Page 19, line 13, after "diseases" insert "and the testing and breeding of flax."

(28) Page 19, line 15, strike out "\$139,505" and insert "\$142,005."
 (29) Page 19, line 23, strike out all after "\$10,840" down to and including "demonstrations," line 2, page 20.

(30) Page 21, line 23, strike out "\$75,400" and insert "\$70,400."
 (31) Page 22, line 5, strike out "\$39,000" and insert "\$100,000."

(32) Page 22, line 15, strike out "\$1,455,135" and insert "\$1,477,845."

(33) Page 25, line 5, strike out "\$2,131,825" and insert "\$2,154,535."

(34) Page 39, line 9, after "\$400,000" insert ", of which sum not to exceed \$3,000 may be expended in the erection of a headquarters building at the Grand Canyon National Monument."

(35) Page 40, after line 9, insert:

"For the examination, survey, and acquisition of lands under the provisions of the act of March 1, 1911 (36 Stat. L., p. 961), as amended March 4, 1913 (37 Stat. L., p. 828), and June 30, 1914 (38 Stat. L., p. 441), \$3,000,000, which appropriation shall be available until expended."

(36) Page 40, after line 9, insert "That hereafter the Secretary of Agriculture, under regulations to be prescribed by him, is hereby authorized to permit the Navy Department to take from the national forests such earth, stone, and timber for the use of the Navy as may be compatible with the administration of the national forests for the purposes for which they are established, and also in the same manner to permit the taking of earth, stone, and timber from the national forests for the construction of Government railways and other Government works in Alaska: *Provided*, That the Secretary of Agriculture shall submit with his annual estimates a report of the quantity and value of earth, stone, and timber furnished as herein provided."

(37) Page 40, line 10, strike out "\$5,553,256" and insert "\$8,553,256."

(38) Page 40, after line 10, insert "That hereafter the Secretary of Agriculture may, upon such terms as he may deem proper, for periods not exceeding 30 years, permit responsible persons or associations to use and occupy suitable spaces or portions of ground in the national forests for the construction of summer homes, hotels, stores, or other structures needed for recreation or public convenience, not exceeding 10 acres to any one person or association, but this shall not be construed to interfere with the right to enter homesteads upon agricultural lands in national forests as now provided by law."

(39) Page 40, line 20, strike out "one food and drug inspector, \$2,250," and insert "two food and drug inspectors, at \$2,250 each."

(40) Page 40, line 24, strike out "four" where it occurs the first time and insert "two."

(41) Page 41, line 15, strike out "\$291,540" and insert "\$290,990."

(42) Page 42, line 12, strike out "\$34,000" and insert "\$42,400."

(43) Page 43, line 12, strike out "\$40,000" and insert "\$49,400."

(44) Page 44, line 3, strike out "\$139,680" and insert "\$149,080."

(45) Page 44, line 21, strike out "\$1,066,381" and insert "\$1,075,231."

(46) Page 47, line 8, strike out "two" and insert "three."

(47) Page 47, line 10, strike out "\$69,050" and insert "\$69,530."

(48) Page 49, line 13, strike out "\$829,420" and insert "\$829,900."

(49) Page 50, line 20, after "lands" insert a comma.

(50) Page 51, after line 6, insert "For the improvement of the game preserve in Sullys Hill National Park, in the State of North Dakota, including the construction of all fences, sheds, buildings, corrals, roads, and other structures which may be necessary, in addition to the amount heretofore appropriated, \$10,000, the same to be available until expended."

(51) Page 51, line 10, after "wolves," insert "coyotes."

(52) Page 51, line 13, strike out "\$110,000" and insert "\$300,000."

(53) Page 51, line 18, after "Utah," insert ": *And provided also*, That of this sum not less than \$175,000 shall be used on the national forests and the public domain in destroying wolves, coyotes, and other animals injurious to agriculture and animal husbandry."

(54) Page 52, line 10, strike out "\$236,820" and insert "\$436,820."

(55) Page 52, line 11, strike out "\$271,290" and insert "\$471,290."

(56) Page 53, line 18, after "each," insert "one chief folder, \$1,200."

(57) Page 54, line 1, strike out "two laborers, at \$600 each."

(58) Page 56, line 17, strike out "\$17,500" and insert "\$16,300."

(59) Page 56, line 21, strike out "\$47,220" and insert "\$46,020."

(60) Page 57, line 13, after "\$115,000," insert "of which sum \$5,000 shall be immediately available."

(61) Page 57, after line 22, insert "Until otherwise ordered the Malby Building and all the buildings on the west side of New Jersey Avenue, between B and C Streets NW., in the city of Washington, D. C., belonging to the Government may be used for governmental purposes by the Agricultural Department."

(62) Page 62, after line 17, insert: "That hereafter there be prepared by the Department of Agriculture an annual report on the work and expenditures of the agricultural experiment stations established under the act of Congress of March 2, 1887 (24 Stat. L., p. 440), on the work and expenditures of the Department of Agriculture in connection therewith, and on the cooperative agricultural extension work and expenditures of the Department of Agriculture and of agricultural colleges under the act of May 8, 1914, entitled 'An act to provide for cooperative agricultural extension work between the agricultural col-

leges in the several States receiving the benefits of an act of Congress approved July 2, 1862, and of acts supplementary thereto, and the United States Department of Agriculture"; and that there be printed annually 8,000 copies of said report, of which 1,000 copies shall be for the use of the Senate, 2,000 copies for the use of the House of Representatives, and 5,000 copies for the use of the Department of Agriculture."

(63) Page 65, after line 9, insert: "To enable the Secretary of Agriculture in conjunction with the Geological Survey to investigate the existence of artesian water and other underground water supplies suitable for irrigation in the arid and semiarid regions by boring wells, \$100,000."

(64) Page 66, line 10, strike out "\$497,700" and insert "\$610,505."

(65) Page 66, line 12, strike out "\$573,660" and insert "\$686,465."

(66) Page 67, after line 13, insert "Experiments in dairying and live-stock production in semiarid and irrigated districts of the western United States: To enable the Secretary of Agriculture to conduct investigations and experiments in problems connected with the establishment of dairying and meat-production enterprises on the semiarid and irrigated lands of the western United States, including the purchase of live stock, the erection of barns and other necessary buildings, and the employment of necessary persons and means in the city of Washington and elsewhere, \$87,500."

(67) Page 68, line 11, strike out "\$352,650" and insert "\$440,150."

(68) Page 69, line 2, strike out "\$484,050" and insert "\$371,550."

(69) Page 69, line 13, strike out "\$19,702,712" and insert "\$23,351,157."

(70) Page 70, after line 19, insert: "That hereafter when any State shall provide for terminal inspection of plants and plant products, and shall establish and maintain, at the sole expense of the State, such inspection at one or more places therein, the proper officials of said State may submit to the Secretary of Agriculture a list of plants and plant products and the plant pests transmitted thereby, that in the opinion of said officials should be subject to terminal inspection in order to prevent the introduction or dissemination in said State of pests injurious to agriculture. Upon his approval of said list, in whole or in part, the Secretary of Agriculture shall transmit the same to the Postmaster General, and thereafter all packages containing any plants or plant products named in said approved lists shall, upon payment of postage therefor, be forwarded by the postmaster at the destination of said package to the proper State official at the nearest place where inspection is maintained. If the plant or plant products are found upon inspection to be free from injurious pests, or if infected shall be disinfected by said official, they shall upon payment of postage therefor be returned to the postmaster at the place of inspection to be forwarded to the person to whom they are addressed; but if found to be infected with injurious pests and incapable of satisfactory disinfection the State inspector shall so notify the postmaster at the place of inspection, who shall promptly notify the sender of said plants or plant products that they will be returned to him upon his request and at his expense, or in default of such request that they will be turned over to the State authorities for destruction."

"On and after the passage and approval of this act-It shall be unlawful for any person, firm, or corporation to deposit in the United States mails any package containing any plant or plant product addressed to any place within a State maintaining inspection thereof, as herein defined, without plainly marking the package so that its contents may be readily ascertained by an inspection of the outside thereof. Whoever shall fail to so mark said packages shall be punished by a fine of not more than \$100."

"The Postmaster General is hereby authorized and directed to make all needful rules and regulations for carrying out the purposes hereof."

(71) Page 70, after line 19, insert:

"To enable the Secretary of Agriculture to carry out an agreement heretofore made by and between him and the State of Washington through its proper officers, looking to the exchange of lands and indemnity rights with said State, \$50,000, or so much thereof as may be necessary, to be available until expended when the said State shall have made available a like amount to be used for carrying out the aforesaid agreement: *Provided*, That such exchanges shall be made on the basis of approximately equal area and value."

(72) Page 71, line 5, strike out "\$50,000" and insert "\$125,000, \$25,000 of said sum to be immediately available."

(73) Page 71, after line 12, insert:

"International Dry Farming Congress, Denver, Colo.: To enable the Secretary of Agriculture to cooperate with and make an exhibit at the next annual meeting of the International Dry Farming Congress, to be held at Denver, Colo., during the fiscal year ending June 30, 1916, illustrative of the investigations, products, and processes relating to farming in the subhumid, arid, and semiarid regions of the United States, including labor and all expenses in the city of Washington and elsewhere, \$20,000."

(74) Page 71, after line 12, insert:

"That the President is hereby authorized to extend invitations to other nations to appoint delegates or representatives to the International Dry Farming Congress, to be held at Denver, Colo., September 27 to October 8, inclusive, 1915: *Provided*, That no appropriation shall be granted or used for the expenses of delegates."

(75) Page 71, after line 23, insert:

"Experiments and demonstrations in live-stock production in the cane-sugar and cotton districts of the United States: To enable the Secretary of Agriculture, in cooperation with the authorities of the States concerned, or with individuals, to make such investigations and demonstrations as may be necessary in connection with the development of live-stock production in the cane-sugar and cotton districts of the United States, including the erection of barns and other necessary buildings, and the employment of persons and means in the city of Washington and elsewhere, \$60,000; and of the funds heretofore appropriated for the development of live-stock production in the cane-sugar and cotton districts of the United States during the fiscal year 1915, not to exceed \$7,500, is hereby made available for the erection of barns and other necessary buildings."

(76) Page 71, after line 23, insert:

"Experiments and demonstrations in live-stock production in the New England States: To enable the Secretary of Agriculture, in cooperation with the authorities of the States concerned, or with individuals, to make such investigations and demonstrations as may be necessary in connection with the development of live-stock production in the New England States, including the erection of barns and other necessary buildings, and the employment of persons and means in the city of Washington and elsewhere, \$60,000; and of the funds hereby appropriated for the development of live-stock production in the New Eng-

land States, not to exceed \$7,500, is hereby made available for the erection of barns and other necessary buildings."

(77) Page 72, strike out lines 6 to 10, inclusive.
(78) Page 72, line 11, strike out "\$55,000" and insert "\$40,000."
(79) Page 72, line 12, strike out "now available or."
(80) Page 72, line 16, after "the" where it occurs the second time insert "field."

(81) Page 72, line 16, after "Agriculture" insert "outside the District of Columbia."

(82) Page 72, line 20, after "service" insert "outside the District of Columbia."

(83) Page 73, strike out lines 1 to 10, inclusive.

(84) Page 73, after line 10, insert:

"In case of an emergency arising out of the existence of foot-and-mouth disease, rinderpest, contagious pleuropneumonia, or other contagious or infectious disease of animals which in the opinion of the Secretary of Agriculture threatens the live-stock industry of the country he may expend in the city of Washington and elsewhere, out of any money in the Treasury not otherwise appropriated, the sum of \$2,500,000, which sum is hereby appropriated, or so much thereof as he determines to be necessary, in the arrest and eradication of any such disease, wherever found and irrespective of ownership under like or substantially similar circumstances, including quarantine, treatment, or other expenses incurred in the payment of claims growing out of past and future purchases and destruction, in cooperation with the States, of animals affected by or exposed to, or of materials contaminated by or exposed to, any such disease, and said sum shall be immediately available for the purposes specified: 'Provided, That no payment for any such diseased or exposed animal, or contaminated or exposed materials, shall be made if any of the quarantine regulations of the Department of Agriculture shall have been so violated at the yards or pen where such animal is seized or materials found as to cause the disease against which the quarantine is established.'"

(85) Page 73, after line 10, insert:

"The unexpended balance on June 30, 1914, remaining to the credit of the appropriation authorized in the Agricultural appropriation act approved March 4, 1913, for the expenses of a commission to investigate and report to Congress on European cooperative land-mortgage banks and rural-credit unions, is hereby appropriated and made available for the fiscal years 1915 and 1916, including expenses incurred since the end of the fiscal year 1914, for the purposes set forth in said act, to be paid out on the audit and order of the chairman of said commission; and such audit and order shall be conclusive and binding upon all departments as to the correctness of the accounts of such commission under this appropriation and under the appropriation made for the fiscal year 1914."

(86) Page 73, after line 10, insert:

"The north half of the south half of section 19, township 2 north, range 11 west, Indian meridian, Oklahoma, formerly a part of the Kiowa, Comanche, and Apache Indian Reservation, is hereby set aside for use of the Department of Agriculture for a dry farming or subhumid station; and the sum of \$200 is hereby appropriated to pay the Indians therefor, which sum shall be placed on deposit in the Treasury of the United States to the credit of the fund 'Interest on Apache, Kiowa, and Comanche 4 per cent fund (benefits).'"

(87) Page 73, after line 10, insert:

"For constructing lakes and reservoirs on the plains between the ninety-eighth meridian and the foothills of the Rocky Mountains, \$500,000."

(88) Page 73, after line 10, insert:

"To enable the Secretary of Agriculture to provide for the demonstration at farmers' institutes, or other farmers' societies and meetings, practicable farm uses of denatured alcohol, the sum of \$25,000, or so much thereof as may be necessary, is hereby appropriated."

(90) Page 73, line 12, strike out "\$22,627,712" and insert "\$36,981,817."

The SPEAKER. Now, what is the gentleman from Texas proposing?

Mr. HENRY. I demand a separate vote on amendment 89.

The SPEAKER. Amendment 89 is the very identical thing that the whole controversy turns on. The Committee of the Whole recommended certain amendments to amendment 89.

Mr. HENRY. What action is necessary, Mr. Speaker?

The SPEAKER. The action necessary is to agree to the amendments to amendment 89.

Mr. UNDERWOOD. There is only one amendment to 89.

Mr. GARNER. There is only one amendment.

The SPEAKER. There is only one amendment to amendment 89.

Mr. MANN. The recommendation of the committee was that the House concur in Senate amendment 89 with an amendment.

The SPEAKER. That is it.

Mr. MANN. The amendment that was reported back.

Mr. HENRY. The question is on agreeing to the amendment?

The SPEAKER. The vote is to be taken on the recommendation of the committee to concur in Senate amendment 89, with an amendment.

The question was taken, and the Speaker announced that the ayes had it.

Mr. HENRY. Mr. Speaker, I demand the yeas and nays.

The SPEAKER. The gentleman from Texas demands the yeas and nays. All those in favor of the yeas and nays will rise and stand until they are counted. [After counting.] Fifty-three Members have arisen; not a sufficient number.

Mr. HENRY. I ask for the other side.

The SPEAKER. The gentleman from Texas asks for the other side. All those opposed will rise. [After counting.] Two hundred and thirteen have arisen; not a sufficient number; the yeas and nays are refused. The House votes to concur in the Senate amendment with an amendment.

Mr. LEVER. Mr. Speaker, I ask unanimous consent that the House ask for a conference on the disagreeing votes of the two Houses.

The SPEAKER. The gentleman from South Carolina asks unanimous consent that the House ask for a conference on the disagreeing votes of the two Houses. Is there objection?

There was no objection.

Mr. HENRY. Mr. Speaker, I offer the following motion to instruct the conferees:

The Clerk read as follows:

Mr. HENRY moves to instruct the House conferees to insist on Senate amendment 89 as amended.

The SPEAKER. The question is on agreeing to the motion.

The question was taken; and on a division (demanded by Mr. HENRY) there were—ayes 62, noes 188.

Mr. BRYAN. I demand the yeas and nays.

The SPEAKER. The gentleman from Washington demands the yeas and nays. All those in favor of taking the question by yeas and nays will rise and stand until they are counted. [After counting.] Nine gentlemen have arisen; not a sufficient number.

So the motion was rejected.

The SPEAKER announced as conferees Mr. LEVER, Mr. LEE of Georgia, and Mr. HAUGEN.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Crockett, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 7427. An act prohibiting the use of the name of any Member of either House of Congress or of any officer of the Government by any person, firm, or corporation practicing before the Patent Office in advertising his business; and

S. 7743. An act to incorporate the Ellen Wilson Memorial Homes.

SENATE BILL REFERRED.

Under clause 2, Rule XXIV, Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee, as indicated below:

S. 7648. An act to authorize an exchange of lands with the State of North Dakota for promotion of experiments in dry-land agriculture, and for other purposes; to the Committee on the Public Lands.

ENROLLED BILLS SIGNED.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills of the following titles, which the Speaker signed:

H. R. 21037. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war;

H. R. 19422. An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1916, and for other purposes;

H. R. 17869. An act providing for the appointment of an additional district judge for the southern district of the State of Georgia;

H. R. 21318. An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1916, and for other purposes;

H. R. 20427. An act to authorize the sale of certain land in Alabama to Walter Dean; and

H. R. 20977. An act to provide for the establishment of a life-saving station in the vicinity of Duxbury Reef, Cal.

The SPEAKER announced his signature to enrolled bill of the following title:

S. 5205. An act to amend existing legislation providing for the acquisition of a site and the construction of a building thereon for the accommodation of the post office, United States courts, customhouse, and other governmental offices at Honolulu, Territory of Hawaii, and for other purposes.

ENROLLED BILLS PRESENTED TO THE PRESIDENT FOR HIS APPROVAL.

Mr. ASHBROOK, from the Committee on Enrolled Bills, reported that this day they had presented to the President of the United States, for his approval, the following bills:

H. R. 20814. An act to place Candler, Jenkins, and Evans Counties, Ga., in the eastern division of the southern district of Georgia, and to place Bacon and Thomas Counties, Ga., in the southwestern division of the southern district of Georgia;

H. R. 19116. An act to grant certain lands to the city of Grand Junction, Colo., for the protection of its water supply;

H. R. 2504. An act to amend section 2 of an act entitled "An act to incorporate the National Society of the Daughters of the American Revolution";

H. R. 21491. An act making appropriations for fortifications and other works of defense, for the armament thereof, for the procurement of heavy ordnance for trial and service, and for other purposes;

H. R. 20688. An act to place Barrow County, Ga., in the eastern division of the northern district of Georgia; and

H. R. 12303. An act to amend section 3246 of the Revised Statutes of the United States, as amended by section 5 of the act of March 1, 1879.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Carr, one of its clerks, announced that the Senate had passed, without amendment, bills of the following titles:

H. R. 962. An act for the relief of William H. Shannon;

H. R. 57. An act making an appropriation to M. C. Burke for tax liens held by him on property acquired by the United States;

H. R. 13. An act for payment to the Chicago, Milwaukee & St. Paul Railway Co., the \$4,583.67 improperly collected under the act of August 5, 1909;

H. R. 2667. An act for the relief of the legal representatives of Parker S. Rouse, deceased;

H. R. 3305. An act directing the accounting officers of the Treasury to credit and settle an account of Maj. George H. Penrose;

H. R. 3435. An act for the relief of Mrs. Max S. Retter;

H. R. 3613. An act to reimburse Lee Grand C. Cramer for amount of damages to his motor launch *Winninich*, by the United States launch *Gunedmertriv*, at Morris Heights, N. Y., on March 31, 1911;

H. R. 3885. An act for the relief of Peter Scott;

H. R. 4008. An act for the relief of Sandy Crawford;

H. R. 4630. An act for the relief of Fred A. Emerson;

H. R. 5966. An act for the relief of Clyde Odum;

H. R. 7049. An act to reimburse the Port Angeles City Dock Co. for damage done to the dock of that company by the United States revenue cutter *Snohomish*;

H. R. 8811. An act to execute the findings of the Court of Claims in the case of Sarah B. Hatch, widow of Davis W. Hatch;

H. R. 9270. An act for the relief of John M. Gray;

H. R. 2703. An act for the relief of Drenzy A. Jones and John G. Hopper, joint contractors for surveying Yosemite Park boundary;

H. R. 3586. An act for the relief of Francis Tomlinson;

H. R. 10167. An act for the relief of Hannah Waldo;

H. R. 10201. An act for the relief of the heirs of Theodore Dehon;

H. R. 10271. An act for the relief of Edward Whiteside;

H. R. 12919. An act to amend an act entitled "An act to provide for an enlarged homestead";

H. R. 13180. An act to amend the act of March 4, 1913 (37 U. S. Stats., p. 872), so as to provide that in the construction of the public building at Roseburg, Oreg., provision shall be made for the accommodation therein of the United States post office and other governmental offices;

H. R. 13240. An act for the relief of the legal representatives of James S. Clark, deceased;

H. R. 13830. An act for the relief of William A. Howard;

H. R. 14711. An act for the relief of Miles A. Hughes;

H. R. 16392. An act to better regulate the serving of licensed officers in the merchant marine of the United States and to promote safety at sea;

H. R. 17110. An act to reimburse Epps Danley for property lost by him while light keeper at East Pascagoula River (Miss.) Light Station; and

H. R. 19746. An act to authorize aids to navigation and other works in the Lighthouse Service, and for other purposes.

EXTENSION OF REMARKS.

Mr. NEELEY of Kansas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the shipping bill.

The SPEAKER. The gentleman from Kansas asks unanimous consent to extend his remarks in the RECORD on the shipping bill. Is there objection?

There was no objection.

Mr. ANDERSON, Mr. CANDLER of Mississippi, Mr. HEFLIN, Mr. MOSS of Indiana, and Mr. LONEGRAN made the same request.

Mr. MANN. Mr. Speaker, I object to any more remarks tonight being extended in the RECORD. Let gentlemen make their requests to-morrow.

Mr. GARRETT of Tennessee. Mr. Speaker, the gentleman from Kansas asked unanimous consent to extend his remarks on the shipping bill and that was granted, and then the other gentlemen said they made the same request. I presume there were

a number of gentlemen who did not desire to extend on the shipping bill, but on this bill.

Mr. MANN. Unanimous consent was granted, after the shipping bill was passed by the House without much debate, to several gentleman, a day or two after, to extend remarks on the shipping bill. Thereupon they proceeded to insert remarks in the RECORD as of the date the shipping bill was passed, contrary to the order of the House. If the request is to extend remarks on the shipping bill as of that date, I object; but if it is a request to extend remarks of this date, I do not care.

Mr. GARRETT of Tennessee. The reason I made the observation was that the gentleman from Kansas asked unanimous consent to extend his remarks in the RECORD on the shipping bill and that was granted. And then a number of gentlemen said, "I make the same request."

The SPEAKER. The Chair construes all the requests after that of the gentleman from Kansas as being on this rural-credit proposition. Is there objection to the extension of these remarks on the rural credits? [After a pause.] The Chair hears none.

DISPOSITION OF USELESS PAPERS.

Mr. TALBOTT of Maryland, from the Joint Select Committee on the Disposition of Useless Papers in the Executive Departments, submitted a report that the files and papers described in the letter of the Acting Secretary of Labor in House Document No. 1530, Sixty-third Congress, third session, dated January 28, 1915, were not needed in the transaction of current business of the department and have no permanent value or historical interest, which report (No. 1469) was ordered to be printed.

ADJOURNMENT.

Mr. UNDERWOOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 35 minutes a. m.) the House adjourned until Tuesday, March 2, 1915, at 12 o'clock noon.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the several calendars therein named, as follows:

Mr. LONERGAN, from the Committee on Public Buildings and Grounds, to which was referred the bill (H. R. 15436) authorizing the acquisition of a site and the construction of a public building thereon at Putnam, Conn., and amending the public building act of June 25, 1910, reported the same with amendment, accompanied by a report (No. 1472), which said bill and report were referred to the Committee of the Whole House on the state of the Union.

Mr. RAYBURN, from the Committee on Interstate and Foreign Commerce, to which was referred the bill (H. R. 21562) to authorize the construction of a bridge across Pearl River at or near the city of Bogalusa, La., reported the same with amendment, accompanied by a report (No. 1473), which said bill and report were referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII, private bills and resolutions were severally reported from committees, delivered to the Clerk, and referred to the Committee of the Whole House, as follows:

Mr. FIELDS, from the Committee on Military Affairs, to which was referred the bill (S. 2789) to award the medal of honor to Maj. John O. Skinner, surgeon, United States Army, retired, reported the same without amendment, accompanied by a report (No. 1466), which said bill and report were referred to the Private Calendar.

Mr. RAKER, from the Committee on the Public Lands, to which was referred the bill (S. 5042) legalizing certain conveyances heretofore made by the Central Pacific Railroad Co. and others within the State of Nevada, reported the same with amendment, accompanied by a report (No. 1467), which said bill and report were referred to the Private Calendar.

Mr. McKELLAR, from the Committee on Military Affairs, to which was referred the bill (H. R. 20126) for the relief of Kate Chateau, reported the same with amendment, accompanied by a report (No. 1468), which said bill and report were referred to the Private Calendar.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. BRITTEN: A bill (H. R. 21580) to amend the Federal reserve act by adding a new section to permit member

banks to subscribe a limited amount of their capital toward the formation of a foreign banking institution; to the Committee on Banking and Currency.

By Mr. PORTER: A bill (H. R. 21581) to authorize the President of the United States to lay, regulate, and revoke embargoes; to the Committee on Foreign Affairs.

By Mr. McKELLAR: A bill (H. R. 21582) to regulate interstate commerce in pistols, revolvers, and other firearms of like form, size, and description; to the Committee on Interstate and Foreign Commerce.

By Mr. KETTNER: A bill (H. R. 21583) for the purchase of a collection of California quartz gems for the National Museum; to the Committee on the Library.

By Mr. LA FOLLETTE: Joint resolution (H. J. Res. 435) to extend the time for the construction of a dam across the Pend O'Reille River, Wash., and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. PORTER: Joint resolution (H. J. Res. 436) recommending legislation to the States and Territories preventing detention of citizens of other States; to the Committee on the Judiciary.

By Mr. HUMPHREYS of Mississippi: Joint resolution (H. J. Res. 437) authorizing and directing the Sergeant at Arms to refund to Members of the House of Representatives amounts of money deducted from their salaries; to the Committee on Accounts.

By Mr. JOHNSON of Kentucky: Resolution (H. Res. 751) authorizing a continuation of the investigation directed by House resolution 203 of the Sixty-third Congress; to the Committee on Accounts.

By Mr. BRYAN: Memorial of the Legislature of the State of Washington, urging Congress to make suitable provision for fortifications to protect Grays and Willapa Harbors against any invasion from the Pacific Ocean that may be attempted in time of hostilities by any foreign power; to the Committee on Appropriations.

By Mr. GOODWIN of Arkansas: Memorial of the Legislature of the State of Arkansas, urging improvement of the White River, Ark.; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUSTIN: A bill (H. R. 21584) for the relief of the heirs or legal representatives of Carrick W. Park, deceased; to the Committee on Claims.

By Mr. BAILEY: A bill (H. R. 21585) granting an increase of pension to Lizzie S. Hight; to the Committee on Pensions.

By Mr. ASHBROOK: A bill (H. R. 21586) for the relief of the Home Building Association, of Newark, Ohio; to the Committee on Claims.

Also, a bill (H. R. 21587) for the relief of the People's Building & Loan Co., of Delaware, Ohio; to the Committee on Claims.

By Mr. HAYDEN: A bill (H. R. 21588) granting pensions to certain Indian soldiers who served in the First Arizona Infantry during the Civil War; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

By the SPEAKER (by request): Petition of citizens of Rocklin, Cal., against House bill 20644, to exclude certain publications from the mails; to the Committee on the Post Office and Post Roads.

By Mr. ALLEN: Petition of citizens of Cincinnati, Ohio, against shipment abroad of arms; to the Committee on Foreign Affairs.

Also, protests of sundry residents of Boulder, Colo., against laws abridging freedom of the press; to the Committee on the Post Office and Post Roads.

Also, protests of sundry residents of Glendale, Cal., against abridging the freedom of the press; to the Committee on the Post Office and Post Roads.

By Mr. BELL of California: Petition of Robert Boerner and 54 other citizens, of Los Angeles, Pasadena, Glendale, Lordsburg, San Gabriel, and Alhambra, all in the ninth congressional district of California, favoring bill to prohibit export of war material; to the Committee on Foreign Affairs.

Also, petition of J. F. Cumberland and 29 other citizens, of Pomona; J. Eugene McFadden and 19 other citizens, of San Dimas; C. H. Bagley and 46 other citizens, of Los Angeles, all

in the State of California, against any abridgment of the freedom of the press; to the Committee on the Post Office and Post Roads.

Also, petitions of Ministerial Union of Los Angeles, Cal., protesting against export of war material; to the Committee on Foreign Affairs.

By Mr. BROWNE of Wisconsin: Petition of S. D. Smith, William Wilson, and others, of Waushara County, Wis., favoring freedom of speech and press; to the Committee on the Post Office and Post Roads.

By Mr. BURKE of Wisconsin: Petitions from 38 business men and citizens of the city of Sheboygan, Wis., asking that an embargo be levied against all exportations of wheat, rye, and flour from this country in order that the interests of American consumers may be protected; to the Committee on Foreign Affairs.

Also, petitions of 28 merchants and citizens of the city of Sheboygan and village of Cedar Grove, Wis., asking for action by Congress that will limit exports of wheat, rye, and flour in order that the interests of American consumers may be protected; to the Committee on Foreign Affairs.

By Mr. DALE: Petition of the National Security League, relative to preparedness for war; to the Committee on Military Affairs.

Also, petition of the American Saddle Horse Breeders' Association, relative to breeding of horses for cavalry service; to the Committee on Agriculture.

By Mr. DICKINSON: Petition of 32 citizens of Henry County, Mo., petitioning Congress to invite all nations to join in a world federation that shall leave to each land its entire independence and that shall confine itself to the adjudication of international disputes; to the Committee on Foreign Affairs.

By Mr. FESS: Petitions of various business men of the seventh congressional district of Ohio, favoring House bill 5308 taxing mail-order houses; to the Committee on Ways and Means.

By Mr. FINLEY: Petition of citizens of Cleveland, Toledo, Woodville, and Lima, Ohio, against House bill 20644, excluding certain publications from the mails; to the Committee on the Post Office and Post Roads.

Also, petition of citizens of Spokane, Wash., against any abridgment of freedom of the press; to the Committee on the Post Office and Post Roads.

By Mr. GALLIVAN: Petition of Massachusetts Automobile Operators' Association, favoring Adamson bill to eliminate automobile registrations when touring; to the Committee on Interstate and Foreign Commerce.

Also, memorial of American citizens of Paterson, N. J., protesting against export of war material; to the Committee on Foreign Affairs.

By Mr. LEWIS of Maryland: Petition of Irwin H. Linton and other citizens of Washington, D. C., against House bill 20644 excluding certain publications from the mails; to the Committee on the Post Office and Post Roads.

By Mr. LIEB: Petition of G. E. Flanagan, of Oakland City, Ind., urging action to limit the exports of wheat, rye, and flour; to the Committee on Foreign Affairs.

Also, petition of Henry Schlundt, of Evansville, Ind., in favor of House joint resolution 377, forbidding export of arms; to the Committee on Foreign Affairs.

By Mr. McCLELLAN: Petition of Frank Moon and 18 citizens of Monticello, N. Y., protesting against the circulation through the mails of the Menace; to the Committee on the Post Office and Post Roads.

By Mr. MAHAN: Petition of Socialist Party of Connecticut, opposing increase of the Army and Navy; to the Committee on Military Affairs.

By Mr. METZ: Petition of citizens of Brooklyn, N. Y., against export of arms; to the Committee on Foreign Affairs.

By Mr. MOORE: Petition of 145 citizens of Philadelphia, Pa., protesting against the bills (H. R. 20644, 20780, 21183), to amend the postal laws of the United States; to the Committee on the Post Office and Post Roads.

By Mr. MURRAY: Petition of Sacred Heart Congregation, Sacred Heart, Okla., also St. Benedict's Church, McLoud, Okla., favoring protection of the clergy in Mexico; to the Committee on Foreign Affairs.

By Mr. SELDOMRIDGE: Petition of citizens of Sterling, Colo., protesting against passage of bills to amend the postal laws; to the Committee on the Post Office and Post Roads.

Also, petition of Mead Local, No. 134, of the Farmers' Educational and Cooperative Union of Colorado, protesting against all legislation interfering with the grain market; to the Committee on Agriculture.

Also, memorial of city council, Boulder, Colo., favoring the Hamill retirement bill, House bill 5139; to the Committee on Reform in the Civil Service.

By Mr. J. M. C. SMITH: Petition of E. J. Pennells and 33 citizens, of Kalamazoo, Mich., favoring reform in civil service; to the Committee on Reform in the Civil Service.

Also, protest of D. O. Hackett and 154 citizens, of vicinity of Pittsford, Mich., against House bills 20644 and 20780, excluding certain publications from the mails; to the Committee on the Post Office and Post Roads.

By Mr. VOLLMER: Petition of Greater Davenport (Iowa) committee, urging immediate legislation by Congress for flood protection and reclamation of that section of the country; to the Committee on Rivers and Harbors.

Also, petition of 117 American citizens, favoring bills to prohibit export of war material; to the Committee on Foreign Affairs.

Also, petition of five American citizens, urging legislation limiting exports of wheat, etc.; to the Committee on Agriculture.

By Mr. WINGO: Petition of sundry citizens of Crawford County, Ark., favoring free speech and free press; to the Committee on the Post Office and Post Roads.

SENATE.

TUESDAY, March 2, 1915.

(Legislative day of Friday, February 19, 1915.)

The Senate reassembled at 11 o'clock a. m., on the expiration of the recess.

ENROLLED BILLS SIGNED.

The VICE PRESIDENT announced his signature to the following enrolled bills, which had heretofore been signed by the Speaker of the House:

S. 5295. An act to amend existing legislation providing for the acquisition of a site and the construction of a building thereon for the accommodation of the post office, United States courts, customhouse, and other governmental offices at Honolulu, Territory of Hawaii, and for other purposes;

H. R. 17869. An act providing for the appointment of an additional district judge for the southern district of the State of Georgia;

H. R. 19422. An act making appropriations to provide for the expenses of the government of the District of Columbia for the fiscal year ending June 30, 1916, and for other purposes;

H. R. 20427. An act to authorize the sale of certain land in Alabama to Walter Dean;

H. R. 20977. An act to provide for the establishment of a life-saving station in the vicinity of Duxbury Reef, Cal.;

H. R. 21037. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; and

H. R. 21318. An act making appropriations for sundry civil expenses of the Government for the fiscal year ending June 30, 1916, and for other purposes.

CORRESPONDENCE OF CARRIERS AS EVIDENCE.

Mr. NEWLANDS. Mr. President, from the Committee on Interstate Commerce, I report back the bill (S. 7738) to amend section 20 of an act to regulate commerce, approved February 4, 1887, as amended June 29, 1906, February 25, 1909, and June 18, 1910, and for other purposes.

Mr. SMOOT. Mr. President, I object at this time.

Mr. NEWLANDS. Mr. President—

The VICE PRESIDENT. There is objection.

Mr. NEWLANDS. I should like to make a statement regarding this matter.

The VICE PRESIDENT. There seems to be an objection to the reception of the report.

Mr. NEWLANDS. I wish to make a statement regarding this matter which, I trust, will appeal to the Senator from Utah.

In the Louisville & Nashville case it has been recently determined that the interstate-commerce law does not in its inquisitorial powers apply to the correspondence of corporations, the decision of the court being that the word "correspondence" is not in the law and that the words "accounts, records, and memoranda" do not cover correspondence. It has been the almost uniform custom of the railroads of the country for many years to submit to these inquisitorial powers relating to their correspondence, and it has been the uniform practice of the commission to exercise those powers. It would impair the commission's efficiency if those powers are not continued in their exercise.

The Interstate Commerce Commission has sent to the Interstate Commerce Committee a recommendation that section 20

be amended by inserting the word "correspondence" in addition to the words "accounts, records, and memoranda," and so forth. This bill was introduced by me and is now favorably reported by the Interstate Commerce Committee, and that committee has gone further and has authorized me to offer it as an amendment to any appropriation bill. It is a bill of the highest importance, and I trust that the Senator from Utah will withdraw his objection in order that I may submit this report to the Senate. It is simply a favorable report recommending the passage of the bill and the bill will come later for consideration.

Mr. ROOT. Mr. President, it is quite useless for the Senator from Utah to withdraw his objection, for I shall object to it. I think it is vicious legislation, and I shall strenuously object to any attempt to put through a provision of that kind in the closing hours of the session.

Mr. SMOOT. Mr. President—

Mr. NEWLANDS. Mr. President, I must protest against the very violent language that the Senator uses with reference to this bill. These powers have now been exercised by the Interstate Commerce Commission beneficially to the country for many years, and there is a universal recognition of this fact.

The exercise of that power has not been the exercise of a vicious power, but it has been in the interest of substantial justice. The Interstate Commerce Committee is not justly chargeable with recommending to this body a vicious bill.

Mr. ROOT. Mr. President, I think we have gone far enough in the creation of inquisitorial powers. There is but very little left of the constitutional protection against searches and seizures, and Congress ought not without the most careful and thorough deliberation extend that power. I shall insist upon my objection.

Mr. SMOOT. I want to say to the Senator—

The VICE PRESIDENT. There is objection. Of course, the report can not be received without unanimous consent.

Mr. SMOOT. I want to say to the Senator from Nevada that the Committee on Appropriations has put upon the general deficiency appropriation bill this very provision, as the Senator knows, having come from that committee not 15 minutes ago.

Mr. NEWLANDS. I understand that, but I am entitled to have the report from the committee presented to this body, and I shall press it.

Mr. ASHURST. Mr. President, I call for the regular order.

Mr. NORRIS. Will the Senator from Arizona yield to me? I have a resolution which I want to offer, a Senate resolution, and if it takes any time I will withdraw it. It is simply a resolution calling for information.

The VICE PRESIDENT. Does the Senator from Arizona yield to the Senator from Nebraska?

Mr. ASHURST. If it leads to no debate I yield.

BATHHOUSES AT TIDAL BASIN.

Mr. NORRIS submitted the following resolution (S. Res. 557), which was read, considered by unanimous consent, and agreed to as follows:

Whereas in the consideration of the sundry civil appropriation bill the Senate added an amendment thereto providing for the beginning of the construction of bathing beaches on the Tidal Basin in Potomac Park, Washington, D. C., in accordance with the plans and specifications outlined by the Secretary of War in Senate Document No. 593, Sixty-third Congress, second session; and

Whereas representatives of the Public Health Service, one of the bureaus in the Treasury Department, appeared before the conferees on said bill and represented that the waters in said Tidal Basin are polluted to such a degree that bathing therein would be dangerous to health; and

Whereas there is now located upon the banks of the said Tidal Basin a boat and bathhouse operated by private persons for gain, and through said private parties persons are permitted, upon paying fees therefor, to bathe in said Tidal Basin: Therefore be it

Resolved by the Senate, That the Secretary of War be instructed to inform the Senate—

First. By what authority of law or regulation are private parties permitted to maintain a boat and bathhouse on said Tidal Basin.

Second. What rental or fee, if any, is paid by the proprietors of said boat and bathhouse for the privilege of maintaining the same on the shores of said Tidal Basin.

Third. What is the cause of the contamination and the pollution of the waters of said Tidal Basin; and

Fourth. By what means, if any, can the waters of said Tidal Basin be freed from such pollution and contamination.

PENSIONS AND INCREASE OF PENSIONS.

The VICE PRESIDENT laid before the Senate the amendments of the House of Representatives to the bill (S. 6981) granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy and of wars other than the Civil War, and to certain widows and dependent relatives of such soldiers and sailors.

Mr. JOHNSON. I move that the Senate disagree to the amendments of the House, ask a conference with the House on